



**KATHY HOCHUL**  
Governor

**Thruway  
Authority**

**JOANNE M. MAHONEY**  
Chair

**FRANK G. HOARE**  
Interim Executive Director

## NOTICE TO PROPOSERS

RFP #22C31- Evaluation of Liability for Other Post-Employment Benefits

June 13, 2023

Dear Proposer:

Attached are the responses to the written questions previously submitted for RFP #22C31 - Evaluation of Liability for Other Post-Employment Benefits

Thank you for your interest in this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Robin Davis", followed by the word "for" in a smaller font.

Robin Davis  
Contract Management Specialist 1

**New York State Thruway Authority**  
**RFP #22C31**  
**Evaluation of Liability for Other Post-Employment Benefits**

**Authority Responses to Written Questions**  
**06/14/2023**

On May 10, 2023, the New York State Thruway Authority ("Authority") issued a Request for Proposals (RFP) #22C31 for Evaluation of Liability for Other Post-Employment Benefits. Pursuant to the RFP, all prospective Proposers were given an opportunity to submit written questions concerning this RFP to the Authority by June 7, 2023.

The Authority received the following questions and submits the following responses in accordance with Section 1.4 of the RFP. Please note that similar questions have been grouped together to avoid repetition and to facilitate ease of review.

1. In the second paragraph of Section 3.1, you reference paragraph C(6) and paragraph D in the last sentence. Should this be paragraph C(7) and paragraph D?

RESPONSE: Yes, it should read " Such page limit shall apply to all information that must be submitted except the fee proposal and those materials required by paragraph C(7) and paragraph D of this section."

2. It states in the Section 2.2 – Minimum qualifications that the proposer must be registered as a certified Minority and/or Women-Owned Business Enterprise. However, at the bottom of page 14, it states that the Authority has determined that this solicitation does not meet the requirements for the establishment of goals or provide MWBE and SDVOB subcontracting opportunities for participation as subcontractors, service providers, and suppliers to Contractor. Is an MWBE or SDVOB required for this engagement?

RESPONSE: This proposer must be registered with the NYS Department of Economic Development as a certified MWBE or NYS Office of General Services as a certified Service-Disabled Veteran-owned Business (SDVOB). As this is a focused procurement, there are no MWBE and SDVOB subcontracting goals with this opportunity.

3. Do the financial statements (Section C.7) count towards the 15-page limit?

RESPONSE: No, the financial statements listed in Section 3.2, Paragraph C(7) do not count towards the page limit. Please refer to question #1.

4. What are the prior fees that the Authority paid to Bolton, split by each task?

RESPONSE: The Authority cannot provide this information at this time. This information can be obtained via a FOIL request. Instructions for submitting a FOIL request are available here <https://www.thruway.ny.gov/about/contact/foil.html>.

5. Is there a budget range for this contract?

RESPONSE: The Authority cannot provide this information at this time.

6. What is the total number of expected in-person meetings each year? Is on-site work required? How often did Bolton attend meetings in person on an annual basis?

RESPONSE: The Authority reserves the right to require attendance at in-person meetings. However, it is not anticipated that this will be necessary. The Required and Optional Services

have historically been done off-site and briefings have been done via video and/or conference call.

**EXCEPTIONS TO TERMS AND CONDITIONS:**

The Authority did not receive any requests for exceptions to terms and conditions.

## NEW YORK STATE THRUWAY AUTHORITY

200 Southern Boulevard  
Post Office Box 189  
Albany, NY 12201-0189

Date: 05/10/2023

### REQUEST FOR PROPOSAL

|   |  |
|---|--|
| 22C31 - Evaluation of Liability for Other Post-Employment Benefits  | <b>Inquiries To:</b> Robin Davis (518) 471-4278<br><b>E-mail:</b> Robin.Davis@thruway.ny.gov<br><b>Fax:</b> (518) 471-4442 |
| <b>Time and Due Date of Proposal Submission:</b><br>1:00 P.M., 06/21/2023                                       | <b>Time and Date of Pre-proposal Meeting:</b><br>N/A   |
| <b>Contract Period:</b> The term shall commence on July 1, 2024 and shall terminate 5 years after commencement. |  |

### INSTRUCTIONS

Attach this form to the front of your proposal.

Indicate whether or not your firm is certified by NYS as a Minority or Women Owned Business Enterprise by circling yes or no.

**Circle one: Yes No**

Indicate whether or not your firm is proposing a joint venture by circling yes or no.

**Circle one: Yes No**

Complete all information below, including signature, to acknowledge your understanding and acceptance of the provisions of the Non-Collusive Bidding Certification as indicated at the bottom of this document.

The Signatory to this document must be authorized to bind the proposing firm contractually.

|  |     |                    |
|--|-----|--------------------|
| Firm Name                              |     | Federal Tax ID No. |
| Street Address                         |     | City/State/Zip     |
| Area Code/Telephone (800 if available) | Fax | E-mail             |
| Print Name                             |     | Title              |
| Signature                              |     | Date               |

### NON-COLLUSIVE BIDDING CERTIFICATION

By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of joint bid, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of his/her knowledge and belief:

- 1) The prices of this bid have been arrived at independently, without collusion, consultation, communication, or agreement, for the purposes of restricting competition, as to any matter relating to such prices with any other Bidder or with any competitor; and
- 2) Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to opening, directly or indirectly, to any other Bidder or to any competitor; and
- 3) No attempt has been made or will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition.

**New York State Thruway Authority**

**Request for Proposal**

**Evaluation of Liability for Other  
Post-Employment Benefits**

|                        |                   |
|------------------------|-------------------|
| <b>RFP No:</b>         | <b>22C31</b>      |
| <b>Request Issued:</b> | <b>05/10/2023</b> |
| <b>Proposals Due:</b>  | <b>06/21/2023</b> |

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## **ARTICLE I - Background/Administrative Matters**

### **Section 1.1 - Background**

The New York State Thruway Authority is seeking proposals from experienced and qualified consulting and/or contracting firms to evaluate the Authority's financial obligations for post-employment benefits, other than pensions, as required to comply with applicable Government Accounting Standards Board Statements (GASB).

The Thruway Authority is a public corporation organized and existing pursuant to Article 2, Title 9 of the New York State Public Authorities Law for the purpose of financing, constructing, reconstructing, improving, developing, maintaining and operating a highway system known as the Governor Thomas E. Dewey Thruway. The powers of the Thruway Authority are vested in and exercised by a seven-member Board appointed by the Governor with the advice and consent of the State Senate.

The Thruway is a 570-mile superhighway system crossing the State. It is the longest toll superhighway system in the United States. The Thruway route from the New York City line to the Pennsylvania line at Ripley is 496 miles long and includes the 426-mile mainline connecting New York City and Buffalo, the State's two largest cities. Other Thruway sections make direct connections with the Connecticut and Massachusetts Turnpikes, New Jersey Garden State Parkway and other major expressways that lead to New England, Canada, the Midwest and the South. In 1991 the Cross-Westchester Expressway was added to the Thruway system. In all, the Thruway is comprised of 2818 2843 lane miles of roadway, 818 bridges, over 300 buildings, 134 interchanges, 35 tandem areas, 27 service areas, 3 welcome centers, nearly 120 water services, 3 water treatment plants, 16 wastewater treatment plants and 40 motor fueling stations for Authority vehicles and equipment. Operationally, the Authority is segmented into four regional divisions – New York, Albany, Syracuse and Buffalo – with the Administrative Headquarters located in Albany.

For the purposes of this Request for Proposals ("RFP"), the term "Authority" shall mean the New York State Thruway.

### **Section 1.2 - Key Dates**

Provided below is a tentative schedule for the milestones in this RFP process, listed in the order of occurrence. The Authority reserves the right to change any or all of these dates as it deems necessary or convenient in its discretion; in the event of such a date change, all parties that have been furnished with this RFP will be duly notified.

| <b><u>Event</u></b>  | <b><u>Date</u></b>                 |
|--|------------------------------------|
| RFP Issuance   | <b><u>05/10/2023</u></b>           |
| Deadline for submitting Written Questions and Exceptions to Terms and Conditions | <b><u>06/07/2023</u></b>           |
| Issuance of Written Responses  | <b><u>06/14/2023</u></b>           |
| Proposal Due Date & Time   | <b><u>06/21/2023 at 1:00pm</u></b> |

### **Section 1.3 – Permissible Contacts/Contact Person**

This procurement is subject to and shall be conducted in accordance with the Thruway Authority Guidelines Regarding Permissible Contacts During a Procurement and the Prohibition of Inappropriate Lobbying Influence (attached hereto as Exhibit 1). All questions concerning this RFP must be addressed to the persons listed below. Proposers and prospective Proposers may not approach any other Authority



officer, employee, contractor or agent or any other State entity relative to this RFP (except as provided in Exhibit 1).

**Robin Davis**

Contract Management Specialist Trainee 1  
New York State Thruway Authority  
200 Southern Boulevard  
Albany, New York 12209  
518-471-4278  
[Robin.Davis@Thruway.NY.GOV](mailto:Robin.Davis@Thruway.NY.GOV)

**Dave Malone**

Director of Accounting & Disbursement  
New York State Thruway Authority  
200 Southern Boulevard  
Albany, New York 12209

**Elonda Mackey**

Chief Compliance Officer  
New York State Thruway Authority  
200 Southern Boulevard  
Albany, New York 12209

In the event the contact persons listed above are not available, Proposers may direct their questions to Caitlin Cady at (518) 436-3061 or Andrew Trombley at (518) 471-4385.

#### **Section 1.4 - Written Questions & Responses**

The Authority will provide official written responses to all written questions that are submitted to the Authority Contract Management Specialist named in Section 1.3 on or before the date set forth in Section 1.2 of this RFP. These official responses will be distributed to all parties that have been furnished with this RFP. Prospective Proposers should rely only on these official written responses. Questions submitted after the due date set forth in Section 1.2 of this RFP may not receive an official answer.

#### **Section 1.5 - Exceptions to Terms and Conditions**

The selected Proposer will be required to enter into a contract ("Agreement") with the Authority that includes, but is not limited to, the terms and conditions set forth in Article V and Article VI of this RFP and Appendices A, and D attached hereto. If a Proposer objects to any such term or condition, the Proposer must state such objection in writing and submit such objection to the Authority Contract Management Specialist named in Section 1.3 identified as a Purchasing representative in Section 1.3 hereof by the deadline for submission of written questions set forth in Section 1.2 herein. Such objections must be stated in detail and, if the Proposer is seeking alternative language for a particular term or condition, accompanied by the Proposer's requested alternative language. The Authority will address such objections in its official responses to questions and/or via addenda to this RFP.

#### **Section 1.6 – RFP Errors or Omissions**

If a Proposer believes there is any ambiguity, conflict, discrepancy, omission or other error in this RFP, such Proposer should immediately notify the Authority Contract Management Specialist named in Section 1.3 of such error and request clarification of or modification to this document. Such notice shall be given prior to the final filing date for submission of proposals. Modifications to this RFP, when appropriate, will be made by addenda hereto and distributed to all parties who have been furnished with

this RFP. Clarifications of this RFP, when appropriate, will be made by written notice to all parties who have been furnished with this RFP.

## **ARTICLE II – Services Requested**

### **Section 2.1 – Background**

The Authority is seeking actuarial services to evaluate the Authority's financial obligations for post-employment benefits, other than pensions, as required by applicable GASB Statements. The primary GASB statement that is applicable is GASB 75 – Accounting & Financial Reporting for Post-Employment Benefits Other than Pensions (OPEB). The Authority requires an actuarial analysis of post-employment benefits, other than pensions, to be prepared annually by a qualified actuary. The reports prepared by the actuary must include all information required to comply with applicable GASB Statements.

The Authority's fiscal year runs from January 1<sup>st</sup> to December 31<sup>st</sup>. The Authority's most recent OPEB actuary report is a roll forward report dated December 15, 2022. This report used a measurement date of December 31, 2021 for our fiscal year ended December 31, 2022. The roll forward report relied on methods, assumptions, participant data, and plan provisions detailed in a full actuary report dated December 22, 2021. The report dated December 22, 2021 was prepared with a measurement date of December 31, 2020 for our fiscal year ended December 31, 2021. Copies of these reports are included as Attachments 2 & 3.

The Authority will have a full report prepared in 2023 by our current actuary firm. It is anticipated this report will be based on current census data, a measurement date of December 31, 2022 and be used for our fiscal year ended December 31, 2023.

We are seeking a qualified actuary to prepare actuarial reports for our fiscal years ending December 31, 2024 through December 31, 2029, with the reports for fiscal year's ended December 31, 2024, 2026 and 2028 being roll forward reports and the reports for fiscal year's ended December 31, 2025, 2027 and 2029 being full reports. The reports will be due annually as of a date determined by the Authority in consultation with the successful Proposer.

The post-employment benefits offered to Authority employees are provided through the New York State Department of Civil Service (NYSDCS). The type of plan is Agent Multiple-employer and rates are community based.

Health insurance is the only post-employment benefit offered to Authority retirees aside from their pension. Additional information about post-employment benefits for authority retirees can be found in the notes to our Audited Financial Statements, which are available on our website: [www.thruway.ny.gov](http://www.thruway.ny.gov)

### **Section 2.2 – Minimum Qualifications**

The Proposer must be registered with the NYS Department of Economic Development as a certified Minority and/or Women-Owned Business Enterprise ("M/WBE") or with the NYS Office of General Services as a certified Service-Disabled Veteran-Owned Business ("SDVOB"). Documentation that shows the Proposer is a registered M/WBE or SDVOB firm must be included with the proposal.

At least one individual in a key management or supervisory position who will be directly assigned to provide services to the Authority must be a Fellow of the Society of Actuaries (FSA) and be in compliance with the Society of Actuaries Continuing Professional Development requirements for the 2021-2022 period. Documentation that shows an FSA designation from the Society of Actuaries and

compliance with their Continuing Professional Development requirements must be included with the proposal for at least one key management or supervisory personnel who will be assigned to provide services to the Authority.

## **Section 2.3 – Scope of Services**

### Required Services

- Analyze census and other data provided by the Authority to assess any inconsistencies and make recommendations for enhancing data quality.
- Prepare an actuarial valuation report based on the requirements of GASB 75 as of a measurement date to be determined by the Authority. The report will include, but not be limited to, the following:
  - actuarial present value of total projected benefits
  - actuarial accrued liability
  - actuarial value of assets
  - unfunded actuarial accrued liability
  - normal cost
  - present value of future normal contributions
  - present value of future salaries
  - normal contributions
  - annual required contribution of the employer
  - annual OPEB cost and net OPEB obligation
- Prepare an analysis of the changes in the unfunded actuarial accrued liability in the most current valuation period to the prior valuation period. Include a breakdown of the changes by category with a narrative of the reason(s) for the changes.
- Prepare the necessary materials and information for the Authority to produce a Comprehensive Annual Financial Report in compliance with GASB 75 reporting and disclosure requirements.
- Respond promptly to questions on completed valuations posed by auditors contracted by the Authority to audit the Authority's financial statements.
- Participate in conference calls and/or attend meetings to brief Authority staff and Board Members on results of your analysis and report.
- At the direction of the Authority, respond promptly to questions and requests for information from third parties.
- The Authority will rely on the successful Proposer to fully understand the applicable GASB Standards and provide all services and reports the Authority requires to be fully compliant with the GASB Standards. If a requirement to comply with the applicable GASB Standards is not included in Section 2.3 of this RFP it does not relieve the successful Proposers of their obligation to provide services and reports needed to comply.

### Optional Services:

- At the sole discretion of the Authority, perform other requested actuarial services.

## **Section 2.4 – Fee Proposal**

Proposers must use Attachment 1 – Fee Proposal Form, for the presentation of their fee information. The proposer's fee information should then be sealed in an envelope and submitted along with the balance of their proposal as described in Section 3.2.

### Required Services:

A separate fee should be proposed for the completion of the “Required Services” listed in the Scope of Services for each of the reporting periods defined in Section 2.1-Background. The Authority will pay only the fixed fee for ‘Required Services’. Out of pocket expenses, including travel expenses, will not be reimbursed.

### Optional Services:

Proposers should submit eligible titles and the hourly rates for each of those titles that will be used in the event the Authority requests that ‘Optional Services’ be provided. For ‘Optional Services’ the Authority will reimburse only for hours worked, by title at the contracted hourly rates. Out of pocket expenses, including travel expenses, will not be reimbursed. Reimbursement for ‘Optional Services’ listed in the Scope of Services will be at the hourly rates for the titles of the employees providing the service. The Authority estimates a total of 25 hours for Optional Services will be needed during the 5-year term of the contract. This is an estimate only and is not a guarantee of volume.

### For the purposes of evaluation:

- The Total Fee for Required Services will be multiplied by 90% to calculate the Required Services Comparative Cost.
- The Optional Services Hourly Rates will be averaged together and then multiplied by 25 (estimated number of hours). The Optional Services average will be multiplied by 10% to calculate the Optional Services Comparative Cost.
- The Required Services Comparative Cost and the Optional Services Comparative Cost will be added together to arrive at the “Cost.” The “Cost” will be used to evaluate the Fee Proposal Evaluation Criteria listed in Section 4.3 of the RFP.

## **ARTICLE III – Proposal Requirements**

### **Section 3.1 – Content of Proposal**

The following is a list of the information that each Proposer must provide. The Authority reserves the right to, in its discretion, disqualify a proposal that does not include all of the information required below.

To expedite the review of submissions, the Authority requests that the proposal be submitted in a binder with the material separated by tabs numbered/lettered to match the specific information requested below; provided, however, that the fee proposal shall be submitted in a separate envelope marked “Fee Proposal”. Additional information, if any, should be submitted in a separate binder. No information beyond that specifically requested is required, and Proposers should keep their submissions to the shortest length consistent with making a complete presentation, not to exceed 15 pages. Such page limit shall apply to all information that must be submitted except the fee proposal and those materials required by paragraph C(6) and paragraph D of this Section.

- A. Cover Letter – A cover letter, which is an integral part of the proposal, must be signed by the individual or individuals authorized to bind the Proposer contractually. The letter must indicate for each signatory that the signer is so authorized and the title or position the signer holds in the Proposer’s organization. The cover letter shall include the following:

- 1) The Proposer's name, nature of organization (e.g. corporation, partnership, etc.), location of main office - address, telephone/fax numbers and e-mail address (if applicable) – and the name, business address, telephone/fax numbers and e-mail address (if applicable) of the person within the organization who will be the Authority's primary contact concerning the proposal.
  - 2) A statement that the proposal is an irrevocable offer for 180 days from the date when proposals are due, or longer by mutual agreement.
  - 3) A statement that the Proposer is ready, willing and able to provide the proposed services in a timely manner upon reasonable notice.
  - 4) The identity of the key management and supervisory personnel who will be assigned to provide the services described to the Authority.
  - 5) Either: A) A statement that if awarded the Agreement, the Proposer's provision of services to the Authority will not create any actual or potential conflict of interest or appearance of impropriety. Indicate what procedures will be followed to detect, notify the Authority of, and resolve any such conflicts.; or B) The identity of any existing or contemplated relationship with any other person or entity, including relationships with any member, shareholders of 5% or more, parent, subsidiary, or affiliated firm, which would constitute an actual or potential conflict of interest or appearance of impropriety, relating to other clients/customers of the Proposer or former officers and employees of the Authority, in connection with rendering services enumerated in the RFP. If a conflict does or might exist, a description of how the Proposer would eliminate or prevent it. Indicate what procedures will be followed to detect, notify the Authority of, and resolve any such conflicts.
  - 6) Either: A) A statement that neither the Proposer, nor any of its members, shareholders of 5% or more, parents, affiliates, or subsidiaries, have been the subject of any investigation or disciplinary action by the New York State Joint Commission on Public Ethics or its predecessor State entities (collectively, "Commission"); or B) A brief description of any investigation or disciplinary action by the New York State Joint Commission on Public Ethics or its predecessor State entities (collectively, "Commission") with respect to the Proposer, any of its members, shareholders of 5% or more, parents, affiliates, or subsidiaries, including an indication of how any matter before the Commission was resolved or whether it remains unresolved.
- B. Statement of Proposal – each proposal shall contain the following information regarding the services to be provided:
- 1) Documentation that shows the Proposer is a registered M/WBE or SDVOB firm as specified in Section 2.2 Minimum Qualifications.
  - 2) A description of the proposer's approach to and work plan for providing services, including time frame to complete Required Services, reflected in Section 2.3, for the initial evaluation period and during the optional contract renewal periods, as well as the ability to provide Optional Services, as described in Section 2.3.
  - 2) Fee proposal - The fee proposal should be submitted as described in Section 2.4 – Fee Proposal.

C. Statement of Qualifications – each proposal shall contain the following information regarding the Proposer's qualifications to provide such services:

- 1) A brief history and description of the Proposer's organizational structure including size, scope of services, capability and area(s) of specialization.
- 2) Detailed documentation of the Proposer's qualifications and experience related to the scope of work required by this RFP.
- 3) The resumes of key management and supervisory personnel who will be directly assigned to provide the services to the Authority and a description of the specific function each will perform. This information should include each individual's qualifying experience to perform the services assigned and his/her position and length of service with the Proposer.
- 4) Documentation from the Society of Actuaries (SOA) showing Fellow of Society of Actuaries (FSA) designation and compliance with the SOA's Continuing Professional Development requirements.
- 5) A client list including a detailed description of the size, total dollar value, and specific services provided for each client to which the Proposer provided similar services within the past five (5) years.; specify the name, address and telephone number of the individual responsible at the client organization for the supervision of such services.
- 6) A list of at least three (3) references.
- 7) Copies of the Proposer's audited financial statements for the past two years. If a Proposer does not have audited financial statements, Proposer should submit any financial statements that it does have (e.g. lines of credit, statements compiled by an outside accounting firm, etc.) and any other information Proposer feels is pertinent in establishing the financial stability of its business/organization. If a Proposer has questions about what evidence of the Proposer's financial stability will be acceptable to the Authority, the Proposer should communicate with the Authority Contract Management Specialist named in Section 1.3.

D. Other Required Materials – each proposal must include the following required materials, completely filled out and executed by the individual or individuals who signed the cover letter and are authorized to bind the Proposer contractually:

- 1) New York State Finance Law §§ 139-j and 139-k Disclosure of Prior Non-Responsibility Determinations (Supplement 1) – New York State Finance Law § 139- k requires that Proposers disclose findings of non-responsibility made within the previous four years by any governmental entity where such prior finding of non-responsibility was due to a violation of New York State Finance Law §139-j or the intentional provision of false or incomplete information to a governmental entity.
- 2) Certificate of Compliance with the Authority/Corporation Guidelines Regarding Permissible Contacts During a Procurement and the Prohibition of Inappropriate Lobbying Influence (Supplement 2) – New York State Finance Law § 139- j requires that Proposers certify that they have read, understand and agree to comply with the Authority/Corporation Policy Regarding Permissible Contacts During a Procurement and the Prohibition of Inappropriate Lobbying Influence.
- 3) Vendor Assurance of No Conflict of Interest or Detrimental Effect (Supplement 3)

#### 4) Conducting Business in Russia Certification (Supplement 4)

### **Section 3.2 – Submission of Proposal**

A Proposer must submit one (1) signed in ink original (marked **ORIGINAL**) copy of its Proposal to the Contract Management Specialist, identified in Section 1.3 hereof, on or before the due date for Proposals set forth in Section 1.2 of this RFP. In addition, Proposers must submit one (1) copy of the Proposal (excluding the Fee Proposal) on a flash drive in a PDF format.

The Proposer's Fee Proposal must be in a separate, sealed envelope with one (1) signed in ink original (marked **ORIGINAL**). Proposer must also submit a copy of the Fee Proposal on a flash drive in PDF format in the same appropriately marked envelope. All boxes, packages and envelopes containing Fee Proposals shall be clearly labeled with Proposer's name and this RFP title and number (located on the title page of this RFP) and shall additionally be labeled with the notation "Fee Proposal".

In the event of a discrepancy between the hard copy and any electronic version, the hard copy shall prevail.

The Authority is not obligated to accept any proposal received after the proposal due date. A Proposer may withdraw or modify a proposal any time prior to the proposal due date by sending written notification to the Authority Contract Management Specialist named in Section 1.3. A Proposer may thereafter re-submit a previously withdrawn proposal if done so by the proposal due date.

The Authority shall not be liable for any costs incurred by a Proposer in the preparation of a proposal. By submitting a proposal, a Proposer accepts that it will not make any claims for or have any right to damages because of any misinterpretation or misunderstanding of the services requested or because of any lack of information.

All proposals submitted in response to this RFP shall become the property of the Authority. A Proposer should mark those sections of its proposal that it believes contain proprietary information. The Authority reserves the right to make its own, independent determination as to whether material so marked is proprietary; the Authority will give proprietary treatment only to that material which it has determined to be proprietary. Further, the Authority's response to third party requests for information contained in a proposal shall be governed by New York State Public Officers Law Articles 6 and 6-A, as applicable. The return of proposals not selected for award shall be in the sole discretion of the Authority.

The Authority will not accept proposals by telegraph, fax or electronic means.

## **ARTICLE IV – Evaluation of Proposals**

### **Section 4.1 – Overview**

An Evaluation Committee comprised of Authority staff will review and evaluate each of the properly submitted written proposals. The purpose of the evaluation process, which will be conducted as set forth in this Article, is twofold: (1) to examine the responses for compliance with this RFP; and (2) to identify the proposals that will provide the best value to the Authority pursuant to the criteria set forth in Section 4.3. The evaluation process may also include, in the Authority's sole discretion, reference checks, oral presentations, facility inspections and/or interviews with selected Proposers.

## **Section 4.2 – Preliminary Review**

- A. Each proposal will be date and time stamped when received.
- B. All proposals will be reviewed to determine if they contain all of the required elements specified in this RFP. The Authority reserves the right to, in its discretion, disqualify without further evaluation a proposal that does not meet all of the RFP requirements.

## **Section 4.3 – Evaluation/Criteria**

The Evaluation Committee will evaluate each proposal using the criteria for selection set forth below, not necessarily in priority order:

- A. Demonstrated record of the Proposer's experience and capability to perform required services.
- B. The qualifications, experience and availability of the Proposer's lead person(s) and other staff who would be assigned to provide services to the Authority.
- C. Overall completeness, clarity, quality and responsiveness of the proposal to the RFP.

Criteria D will be evaluated by Authority personnel who are non-members of the Evaluation Committee.

- D. Fee Proposal

## **Section 4.4 – Oral Presentations/Interviews/Facility Inspections**

The Authority reserves the right to require some or all Proposers to give oral presentations regarding their proposals or to appear before the Authority for an interview. The Authority also reserves the right to require a facility inspection at a Proposer's location. The Authority shall not be liable for any costs a Proposer incurs in association with such presentations/interviews/inspections.

The purpose of the oral presentation/interview/facility inspection is to give the Authority an opportunity to pose any questions that may have arisen during the review process and to give the Proposer an opportunity to elaborate on how specific services will be furnished and its ability to deliver those services. In the event the Authority decides to implement this stage of the evaluation process, further information will be provided to affected Proposers.

## **Section 4.5 – Selection of Proposer(s)**

The Authority, as best suits its interests, may at any time enter into contract negotiations with more than one Proposer. The Authority will notify those Proposer(s) so selected for contract negotiations.

The Authority will provide all Proposers with a Notice of Tentative Contract Award which indicates the successful Proposer(s) to which the Authority intends to award a Contract. An unsuccessful Proposer may request a debriefing with Authority staff to discuss the reasons that its proposal was not selected for an award. Such request for a debriefing must be made within 15 calendar days from the date of the Notice of Tentative Contract Award and directed to the Authority Contract Management Specialist named in Section 1.3 hereof.

The Authority shall not be bound in any way to a Proposer until a formal written Agreement has been duly executed by the Authority and approved by the New York State Office of the Comptroller. Upon execution of the Agreement, public announcements or news releases pertaining to the Agreement shall not be made without the Authority's prior written consent. Proposers are hereby on notice that generally



the Authority will not grant permission for public announcements or news releases and will limit the use of the Authority's name by a Contractor to references only.

#### **Section 4.6 – Additional Procurement Rights**

By submission of a proposal, the Proposer acknowledges and agrees that the Authority reserves the right to:

- Accept or reject any or all proposals received in response to this RFP.
- Reject any proposal where the Authority finds that the Proposer is non-responsible under State Finance Law §§ 139-j or 139-k or another State agency or authority has found the Proposer non-responsible under State Finance Law §§ 139-j or 139-k within the prior four (4) years.
- Correct any arithmetic errors in the proposals.
- Waive informalities and excuse minor irregularities contained in proposal submissions. This waiver shall in no way modify the RFP or excuse a Proposer that enters into an Agreement with the Authority from full compliance with the RFP.
- Request that Proposers clarify elements in their proposals and submit revised proposals that incorporate such clarifications.
- Negotiate Agreement terms with the Proposer(s) that best serve the interests of the Authority, consistent with RFP requirements, statutory requirements, and Authority policies and procedures.
- Contact any clients on the Proposer's client list and/or references furnished as part of the proposal, with the understanding that the Authority will keep such contacts confidential.

#### **Section 4.7 - Grievance Policy**

As indicated in Section 1.3, all questions or concerns regarding this RFP must be directed to the Authority Contract Management Specialist named in Section 1.3. If a Proposer believes that a question or concern has not been satisfactorily addressed, Proposer may obtain a copy of the Authority's Vendor Protest Procedure at <http://www.thruway.ny.gov/business/purchasing/vendor-protest.html> or by contacting the Director of Purchasing at P.O. Box 189, Albany, New York 12201-0189, Attn: Vendor Protest.

### **ARTICLE V – Compliance Requirements and Procedures**

#### **Section 5.1 – Compliance Requirements and Procedures**

It is the policy of the New York State Thruway Authority ("Authority") to comply with the provisions of Article 15-A of the New York State Executive Law, which requires that every contract over \$25,000 will afford equality of economic opportunities for minority group members and women, the facilitation of participation by Minority and/or Women-Owned Business Enterprises ("MWBES"). The Authority shall establish separate goals for participation of MWBEs on all Authority contracts where applicable.

Article 17-B of the New York State Executive Law provides for more meaningful participation in public procurement by certified Service-Disabled Veteran-Owned Business Enterprises ("SDVOBs"); thereby

further integrating such businesses into New York State's economy. The Authority recognizes the need to promote the employment of service-disabled veterans and to ensure that certified SDVOBs have opportunities for maximum feasible participation in the performance of Authority contracts.

The Authority is further, committed to providing equal training and employment opportunities to minorities and women to participate in the Authority's contracting and procurement processes, and by ensuring nondiscrimination in accordance with Appendix A-Standard Clauses for New York State Thruway Authority Contracts including Clause 4 – Non-Discrimination Requirements, Clause 11 - Equal Employment Opportunities for Minorities and Women, Executive Order 11246, Executive Order 177, Training Special Provisions and/or all applicable, federal, State, laws, rules, regulations and Executive Orders.

#### General Provisions

- a. Contractor and/or all subcontractors, shall comply with the applicable laws, rules, regulations and provisions governed by the contract, in addition to any nondiscrimination or diversity practices and provision of the contract at no additional cost to Authority.
- b. These provisions and requirements shall be included in all subcontracting contracts so that these requirements and provisions shall be binding upon all subcontractors, performing work under this contract.
- c. The Contractor represents and warrants that, as a condition for award, the Contractor will submit a Utilization Plan via the NYS Contract System (NYSCS) if required by Authority, within 10 business days of the notice of tentative contract award which lists all proposed firms the Contractor intends to utilize on this contract to achieve the MWBE/SDVOB Contract Goals as established in the contract documents. The Authority approval of the Utilization Plan only approves a firm for the purpose of the MWBE/SDVOB Utilization Plan.

#### **Section 5.2 – Participation Opportunities For New York State Certified Minority/Women/Service-Disabled Veteran-Owned Business Enterprises**

In accordance with Article 15-A and 17-B of the New York State Executive Law, the Thruway Authority is committed to providing meaningful participation in public procurement by certified Minority and/or Women-Owned Business Enterprises ("MWBEs") and certified Service-Disabled Veteran-Owned Business Enterprises ("SDVOBs"), thereby further integrating such businesses into New York State's economy.

The Authority recognizes the need to promote participation and inclusion of Minority and/or Women-Owned Business Enterprises and Service-Disabled Veteran-Owned Business Enterprises and to ensure that certified MWBEs and SDVOBs have opportunities for maximum feasible participation in the performance of Authority contracts.

In recognition of the service and sacrifices made by service-disabled veterans and in recognition of their economic activity in doing business in New York State, Contractors are strongly encouraged and expected to consider certified SDVOBs in the fulfillment of the requirements of the contract. Such participation may be as subcontractors or suppliers, as protégés, or in other partnering or supporting roles.

For the purposes of this procurement, the Authority has determined that this solicitation does not meet the requirements for the establishment of participation goals or provide for MWBE and SDVOB subcontracting opportunities for participation as subcontractors, service providers, and suppliers to Contractor.

Nevertheless, MWBEs and SDVOBs are strongly encouraged to submit Proposals for this procurement. The successful Contractor is encouraged to make every good faith effort to promote and assist in facilitating the participation of Minority/Women-Owned and Service-Disabled Veteran-Owned Business Enterprises on the contract for the provision of services and materials by searching the respective websites or visiting:

The directory of New York State Certified MWBEs at: <https://ny.newnycontracts.com>.

The directory of New York State Certified SDVOBs at: <https://ogs.ny.gov/veterans/>

Contractors are encouraged to contact the Authority's Compliance Unit at (518) 471-5830.

### **Section 5.3 - EQUAL EMPLOYMENT OPPORTUNITY AND REMOVAL OF INSTITUTIONAL POLICIES OR PRACTICES THAT FAIL TO ADDRESS THE HARASSMENT AND DISCRIMINATION OF INDIVIDUALS**

Contractor agrees to comply with all Compliance Requirements and Procedures, in accordance with the terms and conditions of Appendix A – Standard Clauses for New York State Thruway Authority Contracts including Clause 4 – Non-Discrimination Requirements and Clause 11 - Equal Employment Opportunities for Minorities and Women.

Equal Employment Opportunities for minority group members and women ("EEO") and related provisions shall be deemed supplementary to, and not in lieu of, the nondiscrimination provisions required by New York State Executive Law Article 15 (the "Human Rights Law") and other applicable federal, state, and local laws.

In the performance of this procurement/contract, Contractor shall demonstrate compliance which the Work Force Diversity Requirements and Procedures Regarding Equal Employment Opportunities for Minority Group Members and Women, pursuant to 5 NYCRR § 143, Executive Order 162, Executive Order 177, and all other applicable federal, state and local laws, rules and regulations.

Contractor will be required to submit its written policies and procedures concerning harassment and discrimination to the Authority's Compliance Unit prior to commencement of work under this Agreement.

During the performance of this contract, Contractor agrees to comply with the Equal Employment Opportunity (EEO) requirements specified herein.

"Minority" includes:

- (i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
- (ii) Hispanic (a person of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin, regardless of race;
- (iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast, Asia, the Indian Subcontinent, or the Pacific Islands); and
- (iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification. Identification may be made by any suitable authority in the community such as an educational institution, religious organization, or a state agency).

### **Non-Discrimination Clause**

Contractor will ensure equal employment opportunity by not discriminating against any applicant for employment because of race, color, religion, sex, national origin, age, disability, or marital status, regarding, (among other things) the following: upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

### **Availability of Contractor's Records**

Contractor will furnish all information and reports as may be required by the Authority or by rules, regulations and orders incorporated herein by the Authority and will permit access to its books, records and accounts by the Authority's Compliance Unit for purposes of monitoring and investigating compliance with these requirements and such rules, regulations, orders, procedures and guidelines.

### **Enforcement**

In order to determine whether the Contractor has complied with the requirements, the Authority may proceed by order to show cause, compliance conference, hearing or any other lawful procedure upon due notice in writing to the Contractor. In the event the Authority finds that the Contractor has failed to comply with these requirements, this contract may be canceled, terminated, or suspended in whole or in part or Liquidated Damages may be imposed in accordance with the procedures authorized in Section 312 of Executive Law 15-A, provisions of the contract, relevant laws and statutes as deemed appropriate by the Authority, at no cost or liability to the Authority.

In accordance with EO 177 entitled "Prohibiting State Contracts with Entities that Support Discrimination", provisions of the contract, Contractor may be declared ineligible for further New York State government contract and such other sanctions may be imposed and remedies invoked as deemed appropriate by the Authority by rule, regulation, or order of the Authority, or as otherwise provided by law.

### **Contractor's Responsibility Regarding Collective Bargaining Agreements**

Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom Contractor has a collective bargaining agreement to refer either minorities or women shall excuse the Contractor's obligations under these requirements, any rules, regulations, procedures and guidelines promulgated or established pursuant to Executive Order 177.

### **Applicability To Subcontract**

As per Section 312 of Executive Law 15-A Contractor will physically include and incorporate this document, Equal Employment Opportunity Requirements, as part of every subcontract or purchase order unless exempted by rules, regulations, or orders of the Director, pursuant to the Executive Order 8, and such requirements shall be binding upon each subcontractor, service provider, or vendor. Contractor will take such action with respect to any subcontract or purchase order as the Authority may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event Contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of any provision or direction issued pursuant to these requirements or by the Authority, Contractor may request the Authority/State of New York to enter into such litigation or dispute to protect the interests of the State of New York.

### **Equal Employment Opportunity Officer**

Contractor will designate and make known to the Compliance Unit who will have the responsibility for and must be capable of effectively administering and promoting an active Proposer program of equal employment opportunity and who must be assigned adequate authority and responsibility to do so.

### **Complaints of Alleged Discrimination/Sexual Harassment**

Contractor will promptly investigate all complaints of alleged discrimination/sexual harassment made to Contractor in connection with his/her obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination/sexual harassment may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, Contractor will inform every complainant of all of his or her avenues of appeal, including the New York State Division of Human Rights and Equal Employment Opportunity Commission.

Contractor shall inform the Compliance Unit (within 24 hours) in writing of any formal or informal, complaint, incident or any issue of discrimination/sexual harassment. Results of investigation must be submitted to the Office of Compliance within ten (10) days of the complaint.

### **Required Records**

Pursuant to Executive Order 162, if awarded a contract, Proposer shall submit, to the Authority, a Quarterly Workforce Utilization /Gross Wages Reports for their firm and all of their Subcontractors.

The (Quarterly) EO 162 Workforce Utilization/Gross Wages Reporting are located on the Thruway website at: <http://www.thruway.ny.gov/business/purchasing/index.html> or online via the NYS Contract System "Workforce Audit".

Workforce Utilization/Gross Wages Reports are required to be electronically submitted (Quarterly) to [WorkforceUtilizationReportProcurement@newnybridge.com](mailto:WorkforceUtilizationReportProcurement@newnybridge.com) or online via the NYS Contract System "Workforce Audit".

### **Nondiscrimination**

Contractor shall comply with the provisions of the Human Rights Law, and all other State and Federal statutory and constitutional non-discrimination provisions. Contractor and its subcontractors shall not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, gender identity or gender expression, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

The Human Rights Law may also require reasonable accommodation for persons with disabilities and who are pregnant or have pregnancy related conditions. A reasonable accommodation is an adjustment to a job or work environment that enables a person with a disability to perform the essential functions of a job in a reasonable manner. The Human Rights Law may also require reasonable accommodation in employment on the basis of Sabbath observance or religious practices.

## **ARTICLE VI – Contract Terms and Conditions**

Selected Proposer(s) will be required to enter into an Agreement with the Authority that includes, but is not limited to, the terms set forth in Article V and this Article VI.

### **Section 6.1 - Contract Term**

The term shall commence on July 1, 2024 and shall terminate 5 years after commencement.

### **Section 6.2 – Independent Contractor**

Contractor is and shall be, in all respects, an independent contractor in performing services pursuant to the Agreement. In accordance with its status as an independent contractor, Contractor shall covenant and agree that neither it nor its agents and/or employees will hold itself or themselves out as or claim to be an officer or employee of the Authority, and that neither Contractor nor its agents and employees shall make any claim, demand or application to or for any right or privilege applicable to an officer or employee of the Authority, including, but not limited to Workers' Compensation coverage, Unemployment Insurance benefits, Social Security coverage or Retirement System membership or credit.

### **Section 6.3 – Personnel, Equipment and Supplies**

Contractor shall provide all resources, personnel, equipment and supplies necessary to perform services pursuant to the Agreement. If in order to provide such services Contractor must make an external connection to the Authority's data communications infrastructure and/or access Authority information systems, Contractor shall in all respects comply with all Authority policies, procedures, and requirements regarding such connections and information systems access, including, but not limited to, Appendix D – Network Connection Requirements, attached hereto, and undertake whatever actions are necessary in the discretion of the Authority to ensure such compliance. Contractor shall be responsible for all costs associated with ensuring that its own network security measures comply with all Authority policies, procedures, and requirements regarding external connections.

### **Section 6.4 – Subcontracting**

Contractor agrees not to subcontract any of its services, unless as indicated in its proposal, without the prior written approval of the Authority.

Contractor may arrange for a portion/s of its responsibilities under this Agreement to be subcontracted to qualified, responsible subcontractors, subject to approval of the Authority. If Contractor determines to subcontract a portion of the services, the subcontractors must be clearly identified and the nature and extent of its involvement in and/or proposed performance under the Agreement must be fully explained by Contractor to the Authority. As part of this explanation, the subcontractor must submit to the Authority a completed Vendor Assurance of No Conflict of Interest or Detrimental Effect form, as required to be completed by Contractor prior to execution of this Agreement.

Contractor retains ultimate responsibility for all services performed under the Agreement.

All subcontracts shall be in writing and shall contain provisions, which are functionally identical to, and consistent with, the provisions of this Agreement including, but not limited to, the body of this Agreement, Appendix A – Standard Clauses for New York State Thruway Authority Contracts and the RFP. Unless waived in writing by the Authority, all subcontracts between Contractor and subcontractors shall expressly name the Authority, as the sole intended third party beneficiary of such subcontract. The Authority reserves the right to review and approve or reject any subcontract, as well as any amendment

to said subcontract(s), and this right shall not make the Authority a party to any subcontract or create any right, claim, or interest in the subcontractor or proposed subcontractor against the Authority.

The Authority reserves the right, at any time during the term of the Agreement, to verify that the written subcontract between Contractor and subcontractors is in compliance with all of the provisions of this Section and any subcontract provisions contained in this Agreement.

Contractor shall give the Authority immediate notice in writing of the initiation of any legal action or suit which relates in any way to a subcontract with a subcontractor or which may affect the performance of Contractor's duties under the Agreement. Any subcontract shall not relieve Contractor in any way of any responsibility, duty and/or obligation of the Agreement.

If at any time during performance under this Agreement total compensation to a subcontractor exceeds or is expected to exceed \$100,000, that subcontractor shall be required to submit and certify a Vendor Responsibility Questionnaire.

### **Section 6.5 - Insurance Conditions**

Contractor shall, and shall require its subcontractors to, procure prior to commencement of work under the Agreement, and maintain until the Agreement is completed and the Authority has accepted all work performed thereunder, insurance of the kinds and in the amounts specified herein, covering all services and operations under the Agreement, whether performed by Contractor or its subcontractors, in accordance with the following conditions:

- A. Contractor Cost and Expense. All insurance required by the Agreement shall be obtained at the sole cost and expense of Contractor.
- B. Insurer Qualifications. All insurance required by the Agreement shall be maintained with insurance carriers licensed to do business in New York State, and acceptable to the Authority, with an A.M. Best rating of "A-" or better. The Authority may, at its sole discretion, accept policies of insurance written by a non-authorized carrier or carriers when certificates and/or other policy documentation are accompanied by a completed Excess Lines Association of New York (ELANY) Affidavit. Notwithstanding the foregoing, nothing herein shall be construed to require the Authority to accept insurance placed with a non-authorized carrier under any circumstances.
- C. Primary Insurance. All insurance required by the Agreement shall be primary to any Authority insurance policy or Authority self-insurance program, which shall be excess and non-contributory.
- D. Certificates and Endorsements. Contractor shall furnish the Authority with certificate(s) of insurance on ACORD Form 25, accompanied by the Authority Supplemental Insurance Certificate (Exhibit 2 1 – TA-W51343 (11/2017), for each insurance carrier involved. Such certificate(s) shall be executed by a duly authorized representative of the insurance carrier, certifying such authorization and showing compliance with the Authority's insurance requirements set forth herein. Contractor shall furnish the Authority with a copy of each endorsement required herein. For work to be performed within New York State, proof of Workers' Compensation and Disability Benefits Insurance shall be indicated on the appropriate Workers' Compensation Board forms as listed in Section 6.6 D. below. Contractor shall submit all certificates in PDF file format via e-mail to: [InsuranceCompliance@Thruway.NY.GOV](mailto:InsuranceCompliance@Thruway.NY.GOV).
- E. Notice of Cancellation, Nonrenewal or Material Alteration. All policies, by specific Endorsement, shall provide for written notice to the Authority no less than thirty (30) days prior to the cancellation, nonrenewal, or material alteration of any insurance policies referred to therein. Any such notice shall be sent by e-mail to: [Insurancecompliance@thruway.ny.gov](mailto:Insurancecompliance@thruway.ny.gov), attention



Insurance Compliance Supervisor. Only in the event that such written notice cannot be delivered via e-mail, notice shall be sent to: Insurance Compliance Section, Office of Investments and Asset Management, New York State Thruway Authority, P.O. Box 189, Albany, New York 12201-0189.

- F. Deductibles and Self-Insured Retentions. If insurance policies utilized for Authority projects contain deductibles or self-insured retentions (SIRs), they must be declared as such with applicable levels on the certificate(s) of Insurance and the Authority Supplemental Insurance Certificate. Insurance policies with Deductibles in excess of \$100,000 will require review and approval by the Authority. Additional security or other requirements may be imposed at the sole discretion of the Authority. Any SIR will be subject to Section 6.5(G).
- G. Authority Approval of Self-Insured Retentions. Insurance policies with Self-Insured Retentions (SIRs) must receive prior approval by the Authority. All applications for SIR approval must be submitted to the Authority's Office of Investments and Asset Management, indicate whether the program is administered by a third party, and contain a complete description of the program. SIR programs in excess of \$100,000 must be administered by a third party administrator and must also meet additional security requirements. The Authority, at its sole discretion, reserves the right to require Contractor to provide additional collateral, or to reject the use of an SIR by Contractor. Contractor will be solely responsible for all claims, expenses, and loss payments within the retention limit.
- H. Copies of Insurance Documents. Contractor shall provide certified copies of all declarations, pages, or of the insurance policies themselves upon request by the Authority, and within twenty (20) days of such request.
- I. No Waiver of Contractor's Insurance Obligations. Failure of the Authority to demand such certificates, policies, endorsements, or other evidence of full compliance with the Authority's insurance requirements, or failure of the Authority to identify a deficiency from evidence that is provided, shall not constitute or be construed as a waiver of Contractor's obligation to maintain such insurance.
- J. Failure to Maintain or Provide Proof of Coverage. Failure to maintain the required insurance, and failure to provide proof of such coverage to the Authority at its request, may, in the Authority's sole discretion, result in termination of the Agreement, removal of any subcontractor, or in delay or stoppage of payments.
- K. Evidence of Renewal or Replacement. At least two weeks prior to the expiration of any policy required by the Agreement, evidence of renewal or replacement policies of insurance with terms at least as favorable to the Authority as the required minimum amounts set forth in Section 6.6. must be submitted to the Authority by email to: [Insurancecompliance@thruway.ny.gov](mailto:Insurancecompliance@thruway.ny.gov), attention Insurance Compliance Supervisor. Only in the event that such certificates cannot be delivered via e-mail, notice shall be sent to: Insurance Compliance Section, Office of Investments and Asset Management, New York State Thruway Authority, P.O. Box 189, Albany, New York 12201-0189.
- L. Adequacy of Required Insurance. By requiring insurance, the Authority does not represent that certain coverages and limits will necessarily be adequate to protect Contractor or its subcontractors, and such coverages and limits shall not be deemed a limitation on Contractor's liability under the indemnities granted to the Authority under any provision of the Agreement.
- M. Waiver of Rights Against the State and Authority. Contractor shall, and shall require its subcontractors to, waive all rights against the State of New York, the Authority, and their respective agents, officers, directors, and employees, for recovery of damages to the extent these



damages are covered by the Commercial General Liability (“CGL”) policy, the Business Auto Policy or the Commercial Umbrella Liability policy, as required.

- N. Authority Insurance Requirements. Contractor shall, and shall require its subcontractors to, provide a copy of the Authority’s Insurance Requirements as set forth in Section 6.5 and Section 6.6 to its insurance producer(s) and insurance carrier(s).
- O. Subcontractor Insurance. Contractor shall require that any approved subcontractors carry insurance with the same limits and provisions set forth herein.

## Section 6.6 - Required Insurance Coverages

The specific types and amounts of insurance that Contractor must provide pursuant to the Agreement are set forth in this Section 6.6 as follows:

- A. Commercial General Liability Insurance - Contractor shall maintain through a combination of Commercial General Liability (CGL) and Commercial Umbrella Liability insurance (see Section 6.6(B)), with no less than the following limits and coverages:

| <u>Agreement Value:</u>     | <u>Occurrence</u> | <u>General Aggregate</u> |
|-----------------------------|-------------------|--------------------------|
| Under \$10 Million          | \$2,000,000       | \$2,000,000              |
| \$10 Million - \$25 Million | \$5,000,000       | \$5,000,000              |
| \$25 Million - \$50 Million | \$10,000,000      | \$10,000,000             |
| Over \$50 Million           | \$25,000,000      | \$25,000,000             |

- Products/Completed Operations Aggregate: (Equal to General Aggregate)
- Personal/Advertising Injury Liability: \$1,000,000
- Fire Damage Legal Liability: \$ 100,000
- Medical Expense: \$ 5,000

CGL Insurance shall cover liability arising from premises, operations, independent contractors, products/completed operations, personal injury, advertising injury, and contractual liability. The Authority and the State of New York shall be listed as primary and non-contributory additional insureds on the CGL, and as applicable, on the Business, Automobile, and pollution liability policies required under Section 6.6(A), Section 6.6(B), and Section 6.6(D).

- B. Commercial Umbrella Liability Insurance - When the limits of the CGL liability policy procured is insufficient to meet the limits specified in Section 6.6(A), Contractor shall procure and maintain commercial umbrella liability insurance and/or excess liability policies with limits in excess of the primary; provided, however that the total amount of insurance coverage is at least equal to the requirements set forth in Section 6.6(A). Such policies shall be issued on a “follow form” basis of the primary policies.

The Authority and the State of New York shall be included as additional insureds, using ISO Additional Insured Endorsement CG 20 10 04 13 and CG20 37 04 13 or an equivalent, under the CGL and Commercial Umbrella Liability policies, as required.

- C. Professional Liability or Errors and Omissions Insurance – With regard to the furnishing of any professional services in connection with the Agreement, Contractor shall procure and maintain professional liability or errors and omissions insurance to cover claims, damages, and losses that occur as a result of errors, omissions, malpractice, or breach of professional obligations by Contractor's or its subcontractor's furnishing of or failure to furnish such professional services; and such coverage shall be maintained with no less than the following limits:

| <u>Agreement Value:</u> | <u>Limit:</u> |
|-------------------------|---------------|
| Less than \$25 Million  | \$2,000,000   |
| \$25 Million or greater | \$5,000,000   |

The professional liability insurance may be issued on a claims-made policy form provided that, at minimum, Contractor, shall purchase at its sole expense, coverage that provides for (a) reporting circumstances or incidents that may give rise to future claims and (b) tail coverage with an extended reporting period of no less than three (3) years after work is completed to cover events that occurred but were not reported during the term of the policy. If applicable, such professional liability or errors and omissions insurance shall cover any negligent act, error or omission in rendering or failing to render professional services required by the Agreement or in fulfillment of the Agreement arising out of specifications, installation, modification, abatement, replacement or approval of products, materials or processes containing pollutants, and the failure to advise of or detect the existence or the proportions of pollutants. Such insurance shall apply to professional acts, errors or omissions arising out of the scope of services covered by the Agreement.

- D. Workers' Compensation & NYS Disability Benefits Insurance The Agreement shall be void and of no force and effect unless Contractor shall provide and maintain coverage during the term of the Agreement for the benefit of such employees as are required to be covered by the New York State Workers' Compensation/Disability Benefits Law. If the Agreement involves work on or near a shoreline, a U.S. Longshore and Harborworkers' Compensation Act Endorsement must be provided. The Maritime Coverage Endorsement, on an "if any" basis, shall be attached to the policy. Contractor must provide proof of exemption, certified by the Workers' Compensation Board, to obtain a waiver from the requirements of this provision.

Evidence of Workers' Compensation coverage must be provided on one of the following forms specified by the Commissioner of the Workers' Compensation Board:

1. C-105.2 – Certificate of Workers' Compensation Insurance;
2. U-26.3 – Certificate of Workers' Compensation Insurance from the State Insurance Fund;
3. GSI-105/SI-12 – Certificate of Workers' Compensation Self Insurance; or
4. CE-200 – Certificate of Attestation of Exemption.

Evidence of Disability Benefits coverage must be provided on one of the following forms specified by the Commissioner of the Workers' Compensation Board:

1. DB-120.1 – Certificate of Insurance Coverage under the NYS Disability Benefits Law;
2. DB-155 – Certificate of Disability Self Insurance; or
3. CE-200 – Certificate of Attestation of Exemption.

Disability benefits coverage must also include a rider providing Paid Family Leave insurance in form and substance satisfactory to the Authority. Evidence of coverage shall be provided to the Authority and may be in the form of a Notice of Compliance provided by your insurance carrier stating that you have Paid Family Leave insurance. The Notice will include information about your carrier. If you are self-insured, you can get this notice by contacting the NYS Workers' Compensation Board at [certificates@wcb.ny.gov](mailto:certificates@wcb.ny.gov).

## **Section 6.7 – Liability, Indemnification and Defense**

### **A. Liability**

Contractor shall be responsible for the acts and omissions of its agents, employees, and subcontractors, and any other persons furnishing products and services on its behalf under the Agreement.

### **B. Indemnification and Defense**

- (1) To the fullest extent permitted by law, Contractor shall indemnify and save harmless, without limitation, the Authority and the State of New York (the "State"), and their respective officers, directors, board members, agents, employees, successors, and assigns ("Authority Indemnitees" and "State Indemnitees," respectively, and, collectively, "Collective Indemnitees") as their interests may appear, from any and all claims, suits, actions, damages, liabilities, fines, forfeitures, demands, losses, judgments, and costs of every kind and nature, and every name and description, arising from the products and services provided, or to be provided, under the Agreement ("Claims").
- (2) Contractor shall, at its own expense, defend the Authority Indemnitees, the State Indemnitees, or the Collective Indemnitees in any action or proceeding involving any Claims that may be brought against the Authority Indemnitees, the State Indemnitees, or the Collective Indemnitees. This obligation to defend shall include all attorneys' fees, disbursements, costs, and any other expenses incurred in connection with such Claims. The Authority shall give Contractor: (a) prompt written notice of any action, claim, or suit for which Contractor is required to defend and indemnify the Authority; (b) the opportunity to take over, settle, or defend such action, claim, or suit at Contractor's sole expense; and (c) assistance in the defense of any such action, claim, or suit at the expense of Contractor. Notwithstanding the foregoing, if Contractor defends the Authority Indemnitees, the State Indemnitees or the Collective Indemnitees, the Authority and the State each reserve their respective right to join and/or participate in such action at their own expense.
- (3) The Authority may retain and set-off from any amount due to Contractor such monies as may be necessary to satisfy any Claim recovered against the Authority Indemnitees or the Collective Indemnitees. Neither Contractor's obligations nor the Authority's rights under this Section 6.7 shall be deemed waived by the Authority's failure to retain the whole or part of any monies due Contractor, or by the failure to resolve any such Claims, prior to the release of such monies. Further, neither Contractor's obligations under this Section 6.7 nor the rights of the Authority Indemnitees or the State Indemnitees shall be limited or discharged by the enumeration in the Agreement, or procurement, of any insurance in any amount.
- (3) Contractor's indemnification and defense obligations under this Section 6.7 shall include any and all Claims that may arise from any products and services provided, or to be

provided, under the Agreement by Contractor's agents, employees, and subcontractors, and by any other party furnishing products and services under the Agreement.

### **C. Survival**

The provisions of this Section 6.7 shall survive the expiration or termination of the Agreement.

### **Section 6.8 – Ethics**

Contractor and subcontractors may hire former State agency or Authority employees. However, as a general rule and in accordance with New York Public Officers Law, former employees of the Authority may neither appear nor practice before the Authority, nor receive compensation for services rendered on a matter before the Authority, for a period of two years following their separation from Authority service. In addition, former Authority employees are subject to a "lifetime bar" from appearing before the Authority or receiving compensation for services regarding any transaction in which they personally participated or which was under their active consideration during their tenure with the Authority.

During the term of the Agreement, Contractor and its subcontractors shall not engage any person who is, or has been at any time, in the employ of the Authority or New York State to perform services under the Agreement in violation of: the provisions of the Public Officers Law ("POL"); the rules, regulations, opinions, guidelines, or policies promulgated or issued by the Commission on Ethics and Lobbying in Government or its predecessors ("CELG Regulations"); and any other laws applicable to the service of current or former Authority or New York State employees ("Other Laws," and, together with POL and CELG Regulations, collectively, the "Ethics Provisions"). Contractor certifies that all of its employees and employees of any subcontractor who are former employees of the Authority or New York State and who are assigned to perform services under the Agreement shall be assigned in accordance with all Ethics Provisions. Further, during the term of the Agreement, no person who is employed by Contractor or its subcontractors and who is disqualified from providing services under the Agreement pursuant to any Ethics Provisions may share in any net revenues Contractor or its subcontractors derives from the Agreement.

Contractor shall identify and provide the Authority with notice of those employees of Contractor or its subcontractors who are former employees of the Authority or New York State and who will be assigned to perform services under the Agreement and shall ensure that such employees comply with all applicable laws and prohibitions. The Authority may, request that Contractor provide it with whatever information the Authority deems appropriate about each such person's engagement, work cooperatively with the Authority to solicit advice from the New York State Joint Commission on Public Ethics, and, if deemed appropriate by the Authority, instruct any such person to seek the opinion of the Joint Commission on Public Ethics. The Authority shall have the right to withdraw or withhold approval of any subcontractor if utilizing such Subcontractor for any work performed hereunder would be in conflict with any of the Ethics Requirements. The Authority shall have the right to cancel or terminate the Agreement at any time if any work performed under the Agreement is in conflict with any Ethics Provisions.

### **Section 6.9 – Confidentiality and Non-Disclosure**

- A. "Confidential Information" means any information not generally known to the public, or that the Authority claims is confidential, whether oral, written, or electronic, that the Authority discloses, directly or indirectly, through any means of communication, to Contractor. Confidential Information includes, but is not limited to, operational and infrastructure information relating to: bid documents, plans, drawings, specifications, reports, product information and data; business and security processes and procedures; personnel and organizational data; financial statements; information system IP addresses, passwords, security controls, architectures and designs; and such other data, information and images that

the Authority deems confidential.

- B. Confidential Information does not include information which, at the time of the Authority's disclosure to Contractor: (1) is already in the public domain or becomes publicly known through no act of Contractor; or (2) is already known by Contractor free of any confidentiality obligations.

If Contractor wants to disclose Confidential Information, it shall notify the Authority and specify the Confidential Information it wants to disclose. Contractor may only disclose such Confidential Information if the Authority approves such disclosure in writing, subject to such other terms and conditions as the Authority may require. Such approval, if given, shall only apply to the particular request and the specific Confidential Information for which it is given.

If Contractor is required to disclose or make available, directly or indirectly, Confidential Information pursuant to statute, court or administrative order, subpoena, contractual obligation, or otherwise by law, Contractor shall: (1) notify the Authority that it has received such legal demand as soon as practicable, but in all events prior to any disclosure; (2) permit the Authority to take the steps it deems necessary and appropriate to protect the Confidential Information from disclosure; (3) cooperate to the fullest extent possible under the law with the Authority's efforts to protect the Confidential Information from disclosure; and (4) disclose only such Confidential Information, and only such portions thereof, as is required to satisfy the legal demand, and limit any such disclosure of Confidential Information to the fullest extent permissible under the law.

- C. Contractor may use Confidential Information solely for the purposes of providing services to the Authority pursuant to the Agreement. Contractor may make copies of Confidential Information but only to the extent necessary for the disclosures and uses permitted by the Agreement. Contractor will make commercially reasonable efforts to ensure that any copy of Confidential Information that is made is marked to show that it is or contains Confidential Information. Contractor may share Confidential Information with third parties: (i) that are required for Contractor's provision of services to the Authority pursuant to the Agreement (e.g., consultants and subcontractors); and (ii) that agree in writing to be bound by the confidentiality provisions of the Agreement; however, Contractor may share only that Confidential Information that is necessary to the third party's contribution to Contractor's provision of services to the Authority pursuant to the Agreement and Contractor must first obtain the Authority's prior written consent.

The Authority's disclosure of Confidential Information to Contractor shall not convey to Contractor any right, title, or interest in or to such Confidential Information, and the Agreement does not transfer ownership of Confidential Information or grant a license thereto. The Authority shall retain all right, title, and interest in and to all such Confidential Information at all times.

- D. Contractor shall hold Confidential Information confidential to the maximum extent permitted by law. Contractor shall safeguard Confidential Information with at least the same level of care and security that Contractor uses to maintain and protect from disclosure its own confidential information, using all reasonable and necessary security measures, devices, and procedures that Contractor uses to maintain its own confidential information, but in all events with not less than reasonable care.

Contractor shall take all reasonable steps to prevent unauthorized access to, use of, or disclosure of Confidential Information, including without limitation, by protecting its passwords and other log-in information. Contractor shall notify the Authority immediately of any known or

suspected misuse or misappropriation of Confidential Information and shall use its best efforts to stop said misuse or misappropriation.

- E. Upon written request of the Authority, or upon expiration or termination of the Agreement, Contractor shall return all Confidential Information to the Authority, or certify in writing that it has been destroyed and no copies exist.
- F. Contractor agrees that breach of this Section 6.9 would cause the Authority irreparable injury, for which monetary damages would not provide adequate compensation, and that in addition to any other remedy, the Authority will be entitled to injunctive relief against such breach or threatened breach, without proving actual damages or posting a bond or other security.
- G. Without limiting the foregoing, the obligations and assurances involving Confidential Information pursuant to the Agreement shall survive termination or expiration of the Agreement.

#### **Section 6.10 – New York State Finance Law §§ 139-j and 139-k Certification**

By execution of the Agreement, Contractor will certify that all information Contractor has provided to the Authority with respect to New York State Finance Law §§ 139-j and 139-k is complete, true and accurate.

#### **Section 6.11 – Iran Divestment Act- Section 2879-c of the Public Authorities Law**

- a. As used in this Section 6.11, “person” has the meaning set forth in paragraph (e) of subdivision 1 of Section 165-a of the State Finance Law.
- b. As used in this Section 6.11 “Contract” means the Agreement.
- c. Contractor will provide the following certification:

By signing the Contract, each person and each person signing on behalf of any other party certifies, and in the case of a joint bid or partnership each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief, that each person is not on the list created pursuant to paragraph (b) of subdivision 3 of Section 165-a of the State Finance Law.

#### **Section 6.12 – New York State Finance Law §139-1**

By submission of this proposal, each Contractor and each person signing on behalf of any Contractor certifies, and in the case of a joint proposal each party thereto certifies as to its own organization, under penalty of perjury, that Contractor has and has implemented a written policy addressing sexual harassment prevention in the workplace and provides annual sexual harassment prevention training to all of its employees. Such policy shall, at a minimum, meet the requirements of section two hundred one-g of the labor law.

#### **Section 6.13 – New York State Human Rights Law, Article 15 of the Executive Law**

The New York State Human Rights Law, Article 15 of the Executive Law, prohibits discrimination and harassment based on age, race, creed, color, national origin, sex, pregnancy or pregnancy-related conditions, sexual orientation, gender identity, disability, marital status, familial status, domestic violence victim status, prior arrest or conviction record, military status or predisposing genetic characteristics.

The Human Rights Law may also require reasonable accommodation for persons with disabilities and pregnancy-related conditions. A reasonable accommodation is an adjustment to a job or work environment that enables a person with a disability to perform the essential functions of a job in a

reasonable manner. The Human Rights Law may also require reasonable accommodation in employment on the basis of Sabbath observance or religious practices.

Generally, the Human Rights Law applies to:

- all employers of four or more people, employment agencies, labor organizations and apprenticeship training programs in all instances of discrimination or harassment;
- employers with fewer than four employees in all cases involving sexual harassment; and,
- any employer of domestic workers in cases involving sexual harassment or harassment based on gender, race, religion or national origin.

In accordance with Executive Order No. 177, the Contractor, by signing the Agreement, will certify that it does not have institutional policies or practices that fail to address the harassment and discrimination of individuals on the basis of their age, race, creed, color, national origin, sex, sexual orientation, gender identity, disability, marital status, military status, or other protected status under the Human Rights Law.

Executive Order No. 177 and the aforementioned certification do not affect institutional policies or practices that are protected by existing law, including but not limited to the First Amendment of the United States Constitution, Article 1, Section 3 of the New York State Constitution, and Section 296(11) of the New York State Human Rights Law.

#### **Section 6.14 – Conflicts of Interest**

- A. Contractor has provided a form (Vendor Assurance of No Conflict of Interest or Detrimental Effect), signed by an authorized executive or legal representative attesting that Contractor's performance of the services does not and will not create a conflict of interest with, nor position Contractor to breach any other contract currently in force with the State of New York, that Contractor will not act in any manner that is detrimental to any Authority project for which Contractor is rendering services.
- B. Contractor hereby reaffirms the attestations made in its proposal and covenants and represents that there is and shall be no actual or potential conflict of interest that could prevent Contractor's satisfactory or ethical performance of duties required to be performed pursuant to the terms of this Agreement. Contractor shall have a continuing affirmative duty to notify the Authority immediately of any actual or potential conflicts of interest.
- C. In conjunction with any subcontract under this Agreement, Contractor shall obtain and deliver to the Authority, prior to entering into a subcontract, a Vendor Assurance of No Conflict of Interest or Detrimental Effect form, signed by an authorized executive or legal representative of the subcontractor. Contractor shall also require in any subcontracting agreement that the subcontractor, in conjunction with any further subcontracting agreement, obtain and deliver to the Authority a signed and completed Vendor Assurance of No Conflict of Interest or Detrimental Effect form for each of its subcontractors prior to entering into a subcontract.
- D. The Authority and Contractor recognize that conflicts may occur in the future because Contractor may have existing, or establish new, relationships. The Authority will review the nature of any relationships and reserves the right to terminate this Agreement for any reason, or for cause, if, in the judgment of the Authority, a real or potential conflict of interest cannot be cured.

## **Section 6.15 – Suspension, Abandonment and Termination**

The Authority shall have the right, in its sole discretion, to postpone, suspend, abandon, or terminate the Agreement at any time and for any reason, and such action shall in no event be deemed a breach of contract. This includes the Authority's right to terminate the Agreement in the event the Authority finds that the certification made by Contractor in accordance with New York State Finance Law §§ 139-j and 139-k was intentionally false or intentionally incomplete. This also includes the Authority's right to terminate the Agreement at any time in the event the Authority finds that Contractor is non-responsible or has failed to accurately disclose vendor responsibility information. If the Authority exercises its right to terminate on account of a breach of the Agreement, the Authority may complete the contractual requirements in any manner it deems advisable and pursue available legal or equitable remedies for breach.

In the event the Authority exercises its right to postpone, suspend, abandon, or terminate the Agreement, Contractor must within ten (10) days of such postponement, suspension, abandonment, or termination deliver to the Authority all records, documents, and data pertaining to services rendered under the Agreement.

In the event the Authority exercises its right to postpone, suspend, abandon, or terminate the Agreement for convenience, due to no fault of Contractor, the Authority will fix the value of the work performed as of such postponement, suspension, abandonment, or cancellation date, as verified by audit, and compensate Contractor accordingly.

## **Section 6.16 – General Responsibility Provisions**

Contractor shall at all times during the term of the Agreement remain responsible. Contractor agrees if requested by the Authority to present evidence of its continuing legal authority to do business in New York State and integrity, experience, ability, prior performance, and organizational and financial capacity.

## **Section 6.17 – Standard Contract Clauses, Appendices, Exhibits and Supplements**

The Appendices listed below and attached hereto will be incorporated into and made a part of the Agreement. Contractor must complete and submit Exhibit 2 Authority Supplemental Insurance Certificate to the Authority prior to commencement of work under the Agreement. Proposer must complete and submit Supplements 1, 2, 3 4 and Attachment 1 with its proposal.

|                     |   |
|---------------------|---|
| <b>Appendix A</b>   | Standard Clauses  |
| <b>Appendix D</b>   | Network Connection Requirements (TAP-372)   |
| <b>Exhibit 1</b>    | Thruway Authority Guidelines Regarding Permissible Contacts During a Procurement and the Prohibition of Inappropriate Lobbying Influence                            |
| <b>Exhibit 2</b>    | Authority Supplemental Insurance Certificate (TA-W51343)  |
| <b>Supplement 1</b> | New York State Finance Law §§ 139-j and 139-k Disclosure of Prior Non-Responsibility Determinations   |
| <b>Supplement 2</b> | Certificate of Compliance with the Authority Guidelines Regarding Permissible Contacts During a Procurement and the Prohibition of Inappropriate Lobbying Influence |
| <b>Supplement 3</b> | Vendor Assurance of No Conflict of Interest or Detrimental Effect   |



- Supplement 4**    Conducting Business in Russia Certification
- Attachment 1**    Fee Proposal Form
- Attachment 2**    NYSTA Other Post-Employment Medical Benefits - GASB 75 Actuarial Information for the Fiscal Year Ending December 31, 2021
- Attachment 3**    NYSTA Other Post-Employment Medical Benefits - GASB 75 Actuarial Information for the Fiscal Year Ending December 31, 2022

## APPENDIX A

### Standard Clauses

## **APPENDIX A**

### Standard Clauses For New York State Thruway Authority Contracts

The parties to the attached contract, license, lease, amendment or other agreement of any kind (“the contract” or “this contract”) agree to be bound by the following clauses which are hereby made a part of the contract (the word “Contractor” herein refers to any party and its agents, successors and assigns, other than the Thruway Authority (“Authority”), whether a contractor, licensor, licensee, lessor, lessee or any other party):

**1. NON-ASSIGNMENT CLAUSE.** This contract may not be assigned by the Contractor nor may its right, title or interest therein be assigned, transferred, conveyed, subcontracted, sublet or otherwise disposed of without the previous consent, in writing, of the Authority and any attempts to assign the contract without the Authority’s written consent are null and void.

**2. COMPTROLLER APPROVAL.** Unless otherwise provided by resolution of the Authority Board, if this contract involves the expenditure of funds in excess of \$50,000, or if, by this contract, the Authority agrees to give something other than money when the value or reasonably estimated value of such consideration exceeds \$25,000, this contract shall not be valid, effective or binding upon the Authority until it has been approved by the State Comptroller and filed in his office.

**3. WORKERS’ COMPENSATION AND DISABILITY BENEFITS.** This contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the State Workers’ Compensation Law. If employees will be working on, near or over navigable waters, a U.S. Longshore and Harbor Workers’ Compensation Act endorsement must be included.

**4. NON-DISCRIMINATION REQUIREMENTS.** To the extent required by Article 15 of the State Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex (including gender identity or expression), national origin, sexual orientation, military status, age, disability, predisposing genetic characteristics, marital status or domestic violence victim status or because the individual has opposed any practices forbidden under the Human Rights Law or has filed a complaint, testified, or assisted in any proceeding under the Human Rights Law. Furthermore, in accordance with State Labor Law §220-e, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed

within the State of New York, Contractor agrees that neither it nor its subcontractors shall by reason of race, creed, color, disability, sex or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract as defined in State Labor Law §230, then, in accordance with §239 thereof, the Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. The Contractor is subject to fines of \$50 per person per day for any violation of State Labor Law §§220-e or 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

**5. WAGE AND HOURS PROVISIONS.** If this is a public work contract covered by Article 8 of the State Labor Law or a building service contract covered by Article 9 thereof, neither the Contractor’s employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the State Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, the Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the State Labor Law. Additionally, effective April 28, 2008, if this is a public work contract covered by Article 8 of the New York State Labor Law, the Contractor understands and agrees that the filing of payrolls in a manner consistent with subdivision 3-a of §220 of the New York State Labor Law shall be a condition precedent to payment by the Authority of any Authority approved sums due and owing for work done on the project.

**6. NON-COLLUSIVE BIDDING CERTIFICATION.** In accordance with State Public Authorities Law §2878, if this contract was awarded based upon the submission of bids, the Contractor warrants, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. The Contractor further warrants that, at the time the Contractor submitted its bid, an authorized and responsible person executed and delivered to the Authority a non-collusive bidding certification on the Contractor’s behalf.

**7. INTERNATIONAL BOYCOTT PROHIBITION.** In accordance with State Labor Law §220-f, if this contract

exceeds \$5,000, the Contractor agrees, as a material condition of this contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership, or corporation has participated, is participating, or shall participate in an international boycott in violation of the Federal Export Administration Act of 1979 (50 USC App. §§2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of the Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the Authority within five (5) business days of such conviction, determination or disposition of appeal.

**8. SET-OFF RIGHTS.** The Authority shall have rights of set-off. These rights shall include, but not be limited to, the Authority's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing by the Contractor to the Authority with regard to this contract, or any other contract with the Authority, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the Authority for any other reason including, without limitation, monetary penalties, adjustments, fees, or claims for damages by the Authority and third parties in connection therewith.

**9. RECORDS.** The Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (collectively, "Records") for a period of six (6) years (or any other longer period required by law) following final payment or the termination of this contract, whichever is later, and any extensions thereto. The Authority, State Comptroller, State Attorney General and any other person or entity authorized to conduct an examination shall have access to the Records during normal business hours at an office of the Contractor within New York State, or, if no such office is available, at a mutually agreeable and reasonable venue within the State, during the contract term, any extensions thereof and said six (6) year period thereafter, for purposes of inspection, auditing and copying. As used in this clause, "termination of this contract" shall mean the later of completion of the work of the contract or the end date of the term stated in the contract. The Authority will take reasonable steps to protect from public disclosure those Records which are exempt from disclosure under State Public Officers Law §87 ("Statute") provided that: (i) the Contractor shall timely inform an appropriate Authority official, in writing, that said records should not be disclosed; (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the Authority's right to discovery in any pending or future litigation.

**10. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION.** All invoices or New York State standard vouchers submitted for payment for the sale of goods or services or the lease of real or personal property to the Authority must include the payee's identification number, i.e., the seller's or lessor's identification number. The number is either the payee's Federal employer identification number or Federal social security number, or both such numbers when the payee has both such numbers. Failure to include this number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on its invoice or New York State standard voucher, must give the reason or reasons why the payee does not have such number or numbers.

The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in State Tax Law §5. Disclosure of this information by the seller or lessor to the Authority is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the State Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law.

The above personal information is maintained at the New York State Thruway Authority, Department of Finance and Accounts, P.O. Box 189, Albany, New York 12201.

**11. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN.** In accordance with State Executive Law §312, if this contract is: (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000, whereby the Authority is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the Authority; or (ii) a written agreement in excess of \$100,000 whereby the Authority is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of \$100,000 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, or major repair or renovation of real property and improvements thereon for such project, then the following shall apply and by signing this contract the Contractor certifies and affirms that it is Contractor's equal employment opportunity policy that:

(a) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability, or marital status, and shall make and document its conscientious and active efforts to

employ and utilize minority group members and women in its work force on Authority contracts and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. As used in this clause, "affirmative action" shall mean recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, lay-off or termination, and rates of pay or other forms of compensation.

(b) At the request of the Authority, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status, and that such union or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.

(c) The Contractor shall state, in all solicitations or advertisements for employees, that in the performance of this contract all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

The Contractor shall include the provisions of (a), (b) and (c) above in every subcontract over \$25,000 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon except where such work is for the beneficial use of the Contractor. Section 312 does not apply to: (i) work, goods or services unrelated to this contract; or (ii) employment outside New York State. The Authority will consider compliance by a Contractor or its subcontractor with the requirements of any Federal law concerning equal employment opportunity which effectuates the purpose of this section. The Authority shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such Federal law, and if such duplication or conflict exists, the Authority may waive the applicability of §312 of the Executive Law to the extent of such duplication or conflict. The Contractor shall comply with all duly promulgated and lawful rules and regulations of the Department of Economic Development's Division of Minority and Women's Business Development pertaining thereto.

**12. CONFLICTING TERMS.** In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix A, the terms of this Appendix A shall control.

**13. GOVERNING LAW.** This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

**14. LATE PAYMENT.** Timeliness of payment and any interest to be paid to the Contractor for late payment shall be governed by State Public Authorities Law §2880 and 21 NYCRR Part 109.

**15. NO ARBITRATION.** Disputes involving this contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized) but must, instead, be heard in a court of competent jurisdiction of the State of New York.

**16. SERVICE OF PROCESS.** In addition to the methods of service allowed by the State Civil Practice Law & Rules, the Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon the Contractor's actual receipt of process or upon the Authority's receipt of the return thereof by the United States Postal Service as refused or undeliverable. The Contractor must promptly notify the Authority, in writing, of each and every change of address to which service of process can be made. Service by the Authority to the last known address shall be sufficient. The Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

**17. PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS.** The Contractor certifies and warrants that all wood products to be used under this contract will be in accordance with, but not limited to, the specifications and provisions of State Finance Law §165 (Use of Tropical Hardwoods) which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of the Contractor to establish to meet with the approval of the Authority.

In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, the prime Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in State Finance Law §165. Any such use must meet with the approval of the Authority; otherwise, the bid may not be considered responsive. Under bidder certifications, proof of qualification for exemption will be the responsibility of the Contractor to meet with the approval of the Authority.

**18. MACBRIDE FAIR EMPLOYMENT PRINCIPLES.** In accordance with the MacBride Fair Employment Principles (Chapter 807 of the Laws of 1992), the Contractor hereby stipulates that the Contractor either (a) has no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in State Finance Law §165), and shall

permit independent monitoring of compliance with such principles.

**19. OMNIBUS PROCUREMENT ACT OF 1992.** It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts.

Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development  
Division for Small Business  
30 South Pearl Street – 7th Floor  
Albany, NY 12245  
Phone: (518) 292-5220  
Fax: (518) 292-5884  
<http://www.esd.ny.gov>

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development Minority and Women's Business Development Division  
30 South Pearl Street – 2nd Floor  
Albany, NY 12245  
Phone: (518) 292-5250  
Fax: (518) 292-5803  
<http://www.esd.ny.gov>

The Omnibus Procurement Act of 1992 requires that by signing this bid proposal or contract, as applicable, the Contractor certifies that whenever the total bid amount is greater than \$1 million:

(a) The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and women-owned business enterprises, on this project, and has retained the documentation of these efforts to be provided upon request to the Authority;

(b) The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;

(c) The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through listing any such positions with the Job Service Division of the NYS Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The Contractor agrees to document these efforts and to provide said documentation to the Authority upon request; and

(d) The Contractor acknowledges notice that the Authority may seek to obtain offset credits from foreign countries as a result

of this contract and agrees to cooperate with the Authority in these efforts.

**20. RECIPROCITY AND SANCTIONS PROVISIONS.** Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 and 2000 amendments (Chapters 684 and 383, respectively) require that they be denied contracts which they would otherwise obtain. Contact the Department of Economic Development, Division for Small Business, 30 South Pearl Street, Albany, New York 12245, for a current list of jurisdictions subject to this provision. NOTE: As of October 2019, the list of discriminatory jurisdictions subject to this provision includes the states of South Carolina, Alaska, West Virginia, Wyoming, Louisiana and Hawaii.

**21. NON-PUBLIC PERSONAL INFORMATION.** The Contractor shall comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law §899-aa; State Technology Law §208). In addition to any relief or damages that may be imposed pursuant to the provisions of this Act, the Contractor shall be liable for the costs imposed upon the Authority which are associated with breach of the Act if caused by Contractor's negligent or willful acts or omissions, or the negligent or willful acts or omissions of the Contractor's agents, officers, employees or subcontractors.

**22. IRAN DIVESTMENT ACT.** In accordance with State Public Authorities Law §2879-c, if this is a contract for work or services performed or to be performed, or goods sold or to be sold, the Contractor subscribes and affirms, under penalty of perjury, that: by signing this contract, each person and each person signing on behalf of any other party certifies, and in the case of a joint bid or partnership each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each person is not on the list created pursuant to paragraph (b) of subdivision 3 of §165-a of the State Finance Law, entitled "Entities Determined to be Non-Responsive Bidders/Offerers pursuant to the New York State Iran Divestment Act of 2012" ("Prohibited Entities List") posted at: <https://ogs.ny.gov/list-entities-determined-be-non-responsive-biddersofferers-pursuant-nys-iran-divestment-act-2012>.

For the purposes of this clause, the term "person" shall be as defined in subdivision (1)(e) of §165-a of the State Finance Law.

Contractor further certifies that it will not utilize on this contract any subcontractor that is identified on the Prohibited Entities List. Contractor agrees that should it seek to renew or extend this contract, it must provide the same certification at the time the contract is renewed or extended. Contractor also

agrees that any proposed Assignee of this contract will be required to certify that it is not on the Prohibited Entities List before the contract assignment will be approved by the Authority.

During the term of the contract, should the Authority receive information that a person (as defined in State Finance Law § 165-a) is in violation of the above-referenced certifications, the Authority will review such information and offer the person an opportunity to respond. If the person fails to demonstrate that it has ceased its engagement in the investment activity which is in violation of the Act within 90 days after the determination of such violation, then the Authority shall take such action as may be appropriate and provided for by law, rule, or contract, including, but not limited to, imposing sanctions, seeking compliance, recovering damages, or declaring the Contractor in default.

**23. OBSERVANCE OF LAWS.** The Contractor agrees to observe all applicable Federal, State and local laws and regulations, and to procure all necessary licenses and permits.

**24. NO WAIVER OF PROVISIONS.** The Authority's failure to exercise or delay in exercising any right or remedy under this contract shall not constitute a waiver of such right or remedy or any other right or remedy set forth therein. No waiver by the Authority of any right or remedy under this contract shall be effective unless made in a writing duly executed by an authorized officer of the Authority, and such waiver shall be limited to the specific instance so written and shall not constitute a waiver of such right or remedy in the future or of any other right or remedy under this contract.

**25. ENTIRE AGREEMENT.** This contract, together with this Appendix A and any other appendices, attachments, schedules or exhibits, constitutes the entire understanding between the parties and there are no other oral or extrinsic understandings of any kind between the parties. This contract may not be changed or modified in any manner except by a subsequent writing, duly executed by the parties thereto.

**26. ADMISSIBILITY OF REPRODUCTION OF CONTRACT.** Notwithstanding the best evidence rule or any other legal principle or rule of evidence to the contrary, the Contractor acknowledges and agrees that it waives any and all objections to the admissibility into evidence at any court proceeding or to the use at any examination before trial of an electronic reproduction of this contract, in the form approved by the State Comptroller, if such approval was required, regardless of whether the original of said contract is in existence.

**27. CERTIFICATION OF REGISTRATION TO COLLECT SALES AND COMPENSATING USE TAX BY CERTAIN STATE CONTRACTORS, AFFILIATES AND SUBCONTRACTORS.** To the extent this agreement is a contract as defined by Tax Law § 5-a, if the Contractor fails

to make the certification required by Tax Law § 5-a or if during the term of the contract, the Department of Taxation and Finance or the Authority, as defined by Tax Law § 5-a, discovers that the certification, made under penalty of perjury, is false, then such failure to file or false certification shall be a material breach of this contract and this contract may be terminated, by providing written notification to the Contractor in accordance with the terms of the agreement, if the Authority determines that such action is in the best interest of the Authority.

**28. CONTRACT INVOLVING STEEL PRODUCTS.** Contracts involving steel products are subject to Public Authorities Law § 2603-a, and steel products to be provided or incorporated by Contractor must be produced or made in whole or substantial part in the United States as set forth therein.

## APPENDIX D

### Network Connection Requirements



## **NEW YORK STATE THRUWAY AUTHORITY**

### **NETWORK CONNECTION REQUIREMENTS**

#### **A. Permissible Access**

The Authority will limit access to a Network Connection to those services and devices (hosts, routers, etc.) needed. Blanket access will not be provided.

The Authority does not allow a Network Connection to be used as Outside Entity's Internet connection.

#### **B. Connectivity Options**

The following connectivity options are the standard methods of providing an Outside Entity with an external connection to the Authority's data communications network ("Network Connection"). Anything that deviates from these standard methods must be approved in advance by the Authority.

- 1) Encrypted Tunnel – The preferred connectivity method is via the Internet to an Authority Virtual Private Network (VPN) device. The Authority may loan Outside Entity the required client software for establishing VPN connections with the Authority. The Authority's perimeter security measures will control access to the internal network.
- 2) NYeNet/MAN Connection – This can include a VPN.
- 3) Leased Circuit.
- 4) Fiber.

#### **C. Authentication of Network Connection**

Outside Entity must authenticate its Network Connection using Authority authentication systems. All Outside Entity remote access user accounts will have an expiration time consistent with the business justification for the access, which can be renewed at the discretion of the Authority. If the contract term is longer than one year, then Outside Entity must generate a report at least once per year showing which Outside Entity employees have access to the Network Connection and send such report to the Authority for verification and review. Further, any time there is a change in those Outside Entity employees who have access to the Network Connection, Outside Entity shall send the Authority an updated list of those Outside Entity employees who have such access.

#### **D. Current Software Versions Required**

Outside Entity must, for all computers it utilizes for a Network Connection, employ software versions that are currently supported by the software manufacturer. Outside Entity must apply all available security updates and hot fixes for that software in a timely fashion.

All Outside Entity software and firmware utilized for a Network Connection must be kept up to date, especially with patches that fix security vulnerabilities.

## **NEW YORK STATE THRUWAY AUTHORITY**

### **E. Virus Protection**

Outside Entity must install and enable anti-virus software on all computers utilized for a Network Connection and keep such virus definition files up to date.

### **F. Protection of Authority Information and Resources**

The Authority will implement all security measures it determines appropriate to protect the integrity and confidentiality of Authority confidential information.

The Authority will implement appropriate “Access Control Lists” (ACLs) on the Authority network devices to which the Outside Entity sites are connected. The ACLs will restrict access to pre-defined hosts within the internal Authority network.

In the event the Authority agrees to loan to Outside Entity certain Authority equipment and/or software (“Authority-owned Equipment”) to facilitate the Network Connection, the Authority will provide Outside Entity with enable-level access only to those Outside Entity employees necessary to the installation, operation and maintenance of the Network Connection. All other Outside Entity employees will have restricted access/read-only access to the routers at their site and will not be allowed to make configuration changes.

Outside Entity shall be solely responsible for providing the appropriate security measures to ensure protection of its internal network and information. The Authority shall not have any responsibility for ensuring the protection of Outside Entity information.

### **G. Security Incident Notification and Resolution**

Outside Entity is responsible for notifying the Authority upon discovery of any security incident that may threaten or compromise the confidentiality, integrity or availability of Authority information or network infrastructure. Outside Entity shall, at a minimum, report the following to the Authority: 1) successful or unusually persistent attempts to gain unauthorized information or system access; 2) presence of malicious code that has a widespread impact throughout Outside Entity’s network infrastructure; 3) a known or suspected denial of service attack; and 4) scans and probes that precede or are related to a security incident listed above.

Once it has resolved the security incident, Outside Entity must also report the following to the Authority: 1) attack source details (i.e., IP address, method, vulnerability exploited, etc.); 2) the specific effects (i.e., loss, damage, destruction, modification, disclosure) on systems, accounts or information assets resulting from the threat or compromise; and 3) actions taken to remediate the security incident.

**NEW YORK STATE THRUWAY AUTHORITY**

**H. Audit and Review of Outside Entity Network Connections**

The Authority shall have the right at all times to monitor all aspects of Network Connections. The Authority will employ automated tools to accomplish monitoring tasks where practicable. The Authority will generate an annual report on its authentication database showing the specific Outside Entity login entries and distribute such reports to appropriate Authority personnel for review. The Authority will periodically audit Network Connections and distribute such audits to appropriate Authority personnel for review.

The Authority will review all Network Connections on an annual basis and update or terminate such connections when appropriate.

## EXHIBIT 1

Thruway Authority Guidelines Regarding Permissible  
Contacts During a Procurement and  
the Prohibition of Inappropriate Lobbying Influence

New York State Thruway Authority

**Guidelines Regarding Permissible Contacts During a Procurement and the Prohibition of Inappropriate Lobbying Influence**

Chapter 1 of the Laws of 2005, as amended (referred to as the “Lobbying Law”), enacted major changes to the Legislative Law and State Finance Law relative to lobbying on government procurements and procurement contracts. The Lobbying Law created two new sections in the State Finance Law: Section 139-j addresses restrictions on “contacts” during the procurement process; and Section 139-k addresses the disclosure of contacts and the responsibility of offerers<sup>1</sup> during the procurement process. In this regard, a procurement contract means a contract or agreement (including an amendment, extension, renewal or change order to an existing contract where such amendment, extension, renewal or change order is not authorized and payable under the terms of the contract) involving an estimated annual expenditure in excess of \$15,000 for a commodity, service, technology, public work or construction; purchase, sale, lease or acquisition of real property; or revenue contract.

In conformity with the Lobbying Law, during the restricted period<sup>2</sup> for an Authority procurement, an offerer may only make permissible “contacts” regarding such procurement, which means that the offerer shall contact only the Authority designated contact person(s) for that procurement. In this regard, “contact” means any oral, written or electronic communication with a governmental entity under circumstances where a reasonable person would infer that the communication was intended to influence the governmental entity’s conduct or decision regarding the Authority procurement. Exceptions to this rule include:

- submission of a written proposal in response to a Request for Proposals (RFP), Invitation for Bids (IFB) or any other solicitation method;
- submission of written questions as part of an RFP, IFB or other solicitation method where all written questions and written responses will be provided to all offerers;
- participation in a pre-proposal or pre-bid demonstration, conference or other exchange of information open to all bidders scheduled as part of an RFP, IFB or other solicitation process;

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<sup>1</sup> An individual or entity, or any employee, agent, consultant or person acting on behalf of such individual or entity, that contacts the Authority about a procurement during the restricted period whether or not the caller has a financial interest in the outcome of the procurement. A governmental agency or its employees that communicates with the Authority regarding a procurement in the exercise of its oversight duties shall not be considered an offerer.

<sup>2</sup> The period of time commencing with the earliest written notice, advertisement or solicitation of a Request for Proposals (RFP), Invitation for Bids (IFB), or solicitation of proposals, or any other method for soliciting responses from offerers intending to result in a procurement contract with the Authority, and ending with the final contract award and approval by the Authority, and, where applicable, the State Comptroller.

- written complaints that the Authority designated contact for a procurement fails to respond in a timely manner to authorized offerer contacts;
- negotiation of procurement contract terms with the Authority following tentative award;
- contacts between designated Authority staff and an offerer to request the review of a procurement contract award;
- communications with the Authority regarding an appeal, protest or other review of a procurement, participation in an administrative or judicial proceeding regarding a procurement and complaints regarding a procurement made to the Attorney General, Inspector General, District Attorney or State Comptroller;
- communications between Authority staff and offerers that solely address the determination of vendor responsibility.
- communications relating to the Authority's procurement made pursuant to State Finance Law Section 162(1) undertaken by (i) the non-profit-making agencies appointed pursuant to Section 162(6)(e) by the Commissioner of the Office of Children and Family Services, the Commission for the Blind or the Commissioner of Education, and (ii) the qualified charitable non-profit-making agencies for the blind, and qualified charitable non-profit-making agencies for other severely disabled persons as identified in Section 162(2); provided, however, that any communications which attempt to influence the issuance or terms of the specifications that serve as the basis or bid documents, RFPs, IFBs, solicitations of proposals, or any other method for soliciting a response from offerers intending to result in a procurement contract with the Authority shall not be exempt;
- complaints by a Minority and Women-owned Business Enterprise (MWBE) entity to the MWBE statewide advocate concerning the Authority's failure to comply with the requirements of Executive Law Section 315; and,
- communications between the MWBE statewide advocate and the Authority in furtherance of the MWBE statewide advocate pursuant to Executive Law Section 312-a.

An offerer shall not, under any circumstance, attempt to influence an Authority procurement in a way that violates or attempts to violate: Public Officers Law Section 73(5), relating to gifts intended to influence; or Public Officers Law Section 74, relating to the code of ethics for employees of state agencies, public authorities and public benefit corporations, members of the New York State Legislature and Legislative employees.

An offerer who contacts the Authority designated contact person for a procurement during the restricted period must be prepared to provide the following information: name, address, telephone number, place of principal employment and occupation of the person or organization making the contact and whether the person/organization making the contact is the offerer or is retained, employed or designated by or on behalf of the offerer to appear before or contact the Authority about the procurement.

An offerer that submits a proposal, bid or other response to an Authority RFP, IFB or other solicitation method must: certify that it understands and agrees to comply with these Guidelines regarding permissible contacts during a procurement and the prohibition of inappropriate lobbying influence; and disclose whether any governmental entity has, within the prior four (4) years, found the offerer non-responsible due to a violation of the Lobbying Law or the intentional provision of false or incomplete information. Further, all Authority procurement contracts will contain: a certification by the offerer that all information provided to the Authority

with respect to the Lobbying Law is complete, true and accurate; and a provision authorizing the Authority to terminate the contract in the event such certification is found to be intentionally false or incomplete.

The Authority will investigate all allegations of violations of the Authority Guidelines regarding permissible contacts during a procurement and the prohibition of inappropriate lobbying influence. A finding that an offerer has knowingly and willfully committed such a violation may result in a determination that the offerer and its subsidiaries are non-responsible and therefore ineligible for award of the procurement contract. A second determination of non-responsibility for such a violation within four (4) years of the first such determination shall render the offerer and its subsidiaries ineligible to submit a bid or proposal or be awarded a procurement contract for four (4) years from the date of the second determination. The Authority will notify the New York State Office of General Services of any determinations of non-responsibility or debarments due to violations of the Lobbying Law.

These Guidelines and related forms are available on the Authority's website, [www.thruway.ny.gov](http://www.thruway.ny.gov), under Doing Business; Purchasing Services - Law, Policies and Procedures. Copies of Sections 73 and 74 of the Public Officer's Law are also available on the Joint Commission on Public Ethics website, [www.jcope.ny.gov](http://www.jcope.ny.gov), under Laws. If you require further guidance on the Lobbying Law, you are encouraged to visit the Advisory Council on Procurement Lobbying website at <https://ogs.ny.gov/acpl>, where the Lobbying Law and the Guidelines on Procurement Lobbying (Frequently Asked Questions) adopted by the Council are posted.

## EXHIBIT 2

### Authority Supplemental Insurance Certificate




**Thruway  
Authority**
**SUPPLEMENTAL INSURANCE CERTIFICATE**

This form supplements ACORD 25 CERTIFICATE OF LIABILITY INSURANCE documentation as required by the NYSTA. For additional information, please contact the NYSTA's Insurance Compliance Section at (518) 436-2891.

Insured: \_\_\_\_\_

All Work under NYSTA Project/Agreement/Permit No.: \_\_\_\_\_  
(If NYSTA Permit, leave blank unless Permit No. is known)

Complete/check appropriate boxes:

|  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| <b>I. Commercial General Liability (CGL) Insurance - Policy No.</b> _____  |                          |                          |
| a. Does the General Aggregate reflect a per-project aggregate endorsement (CG 25 03 05 09 or equivalent)?  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Does the CGL provide coverage for:  |                          |                          |
| 1. Explosion, Collapse and Underground Hazards (XCU)?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Products & Completed Operations Liability?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Additional Insureds for claims involving injury to employees of the Named Insured or subcontractors?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is Cross liability in the ISO GL policy (i.e., Insured vs. Insured suits) excluded?   | <input type="checkbox"/> | <input type="checkbox"/> |
| If "No", is Cross liability in the ISO GL policy restricted?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Property damage to work due to Independent contractor's (subcontractor's) operations?   | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Is the CGL policy written on ISO form CG 00 01 04 13 or an equivalent form?   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>II. Workers' Compensation - Policy No.</b> _____  |                          |                          |
| a. Does Workers' Comp. apply to federally-regulated employment (i.e., Jones Act, USL&H)?   | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Is Workers' Comp. from a New York State authorized insurer?   | <input type="checkbox"/> | <input type="checkbox"/> |
| c. If sole proprietorship, partnership, or corporation with one or two shareholders, is Workers' Comp. coverage provided for owners?   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>III. Environmental Insurance (EI) (including Asbestos &amp; Lead Abatement) - Policy No.</b> _____  |                          |                          |
| <b>Professional Liability Insurance (PLI) (including Errors &amp; Omissions) - Policy No.</b> _____  |                          |                          |
| a. Do EI defense costs reduce liability limits?  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. If EI is on a claims-made basis, what is the retroactive date? _____  |                          |                          |
| c. Do PLI defense costs reduce liability limits?   | <input type="checkbox"/> | <input type="checkbox"/> |
| d. If PLI is on a claims-made basis, what is the retroactive date? _____   |                          |                          |
| <b>IV. Mandatory Endorsements and Other Provisions</b> (all policies including auto liability)   |                          |                          |
| a. Is the NYSTA listed as an Additional Insured by ISO endorsement CG 20 10 04 13 and CG 20 37 04 13 or an equivalent, under the CGL and Umbrella policies?  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Are the Umbrella and/or Excess Liability insurance policies issued on a "stand alone" or "follow form basis" to the primary CGL, Commercial Auto and/or Employer's Liability? Identify for each policy:   |                          |                          |
|  | Stand<br>Alone           | Follow<br>Form           |
|  | <input type="checkbox"/> | <input type="checkbox"/> |
| Umbrella Policy No. _____  | <input type="checkbox"/> | <input type="checkbox"/> |
| Excess Policy No. _____  | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Are all policies endorsed to provide 30 days advance notice to the NYSTA of termination/material change, except for non-payment/cancellation?   | <input type="checkbox"/> | <input type="checkbox"/> |
| If "No", identify policies that are not endorsed: _____  |                          |                          |
| d. Do any of the policies on the attached ACORD 25 contain a Deductible (D) or Self-Insured Retention (SIR)?   | <input type="checkbox"/> | <input type="checkbox"/> |
| If "Yes", indicate the specific policy, whether D or SIR, its amount, and whether it is on a per claim, per occurrence or aggregate basis: _____   |                          |                          |
| e. Is the Automobile Liability policy endorsed to include <b>either</b> ISO endorsement CA 99 48 03 06 - Pollution Liability - Broadened Coverage for Covered Autos-Business Auto, Motor Carrier and Truckers Coverage Forms <b>or</b> ISO endorsement CA 00 12 03 06 - Truckers Coverage Forms? | <input type="checkbox"/> | <input type="checkbox"/> |

This certificate is issued as a matter of information only. The information provided herein accurately describes the policies listed above; and does not affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed above. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

☐ Insurer's Agent

Title: \_\_\_\_\_

☐ Insurance Broker

Firm Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Fax No.: (      ) - \_\_\_\_\_

Email: \_\_\_\_\_

## SUPPLEMENT 1

New York State Finance Law Sections §§ 139-j and 139-k  
Disclosure of Prior  
Non-Responsibility Determinations



200 Southern Blvd.  
Albany, NY 12209

## New York State Finance Law Sections 139-j and 139-k Disclosure of Prior Non-Responsibility Determinations

Contract/Project/Transaction Description:

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Contract # (if applicable): \_\_\_\_\_ Date: \_\_\_\_\_

Name of Offerer/Applicant: \_\_\_\_\_

Address: \_\_\_\_\_

Name and Title of Person Submitting this Form  
(if different from above): \_\_\_\_\_

Has any governmental entity\* made a finding of non-responsibility regarding the Offerer/Applicant in the previous four years where:

the basis for the finding of the Offerer/Applicant's non-responsibility was due to a violation of State Finance Law Section 139-j?

☐ No

☐ Yes

the basis for the finding of the Offerer/Applicant's non-responsibility was due to the intentional provision of false or incomplete information to a governmental entity?

☐ No

☐ Yes

*If yes, please provide details regarding the finding of non-responsibility below.*

Governmental Entity: \_\_\_\_\_

Date of Finding of Non-responsibility: \_\_\_\_\_

Basis of Finding of Non-responsibility (attach additional sheets if necessary):

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Offerer certifies that all information provided to the Governmental Entity with respect to State Finance Law Section 139-k is complete, true and accurate.

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (please print)

( ) -  
Telephone No.

\_\_\_\_\_  
Title

\* A "governmental entity" is: (1) any department, board, bureau, commission, division, office, council, committee or officer of New York State, whether permanent or temporary; (2) each house of the New York State Legislature; (3) the unified court system; (4) any public authority, public benefit corporation or commission created by or existing pursuant to the Public Authorities Law; (5) any public authority or public benefit corporation, at least one of whose members is appointed by the Governor or who serves as a member by virtue of holding a civil office of the State; (6) a municipal agency, as that term is defined in paragraph (ii) of subdivision (s) of section one-c of the Legislative Law; or (7) a subsidiary or affiliate of such a public authority.

For engineering agreements and construction contracts, submit this form to the Department of Engineering, 200 Southern Blvd., Albany, 12209. All other form submissions should be forwarded to the address listed on the solicitation material or application.

If you have any questions, please call the contact person listed on the solicitation material or application.

## SUPPLEMENT 2

Certificate of Compliance with the Authority Guidelines  
Regarding Permissible Contacts During a Procurement and  
the Prohibition of Inappropriate Lobbying Influence


**Thruway  
Authority**

 200 Southern Blvd.  
Albany, NY 12209

## CERTIFICATE OF COMPLIANCE WITH THE AUTHORITY GUIDELINES REGARDING PERMISSIBLE CONTACTS DURING A PROCUREMENT AND THE PROHIBITION OF INAPPROPRIATE LOBBYING INFLUENCE

To protect the integrity and fairness of the procurement process and maintain public confidence in the Thruway Authority's (Authority) stewardship role, all Authority procurement decisions must be based on the merits of proposals, free of any inappropriate lobbying influence. Toward that end, the Authority has adopted Guidelines Regarding Permissible Contacts During a Procurement and the Prohibition of Inappropriate Lobbying Influence (TAP-335), Guidelines with which all vendors/firms/proposers must comply. A copy of these Guidelines is available in the Purchasing Services section of the Authority's website at [www.thruway.ny.gov](http://www.thruway.ny.gov). Further, Authority funds may not be used to reimburse a vendor/firm for its outside lobbying expenses. Authority payments made under a contract cannot be used to pay outside lobbying costs and a vendor/firm is prohibited from seeking reimbursement of such costs.

### **Certification**

The undersigned certifies that the vendor/firm/proposer has read, understands and agrees to comply with the Authority Guidelines Regarding Permissible Contacts During a Procurement and the Prohibition of Inappropriate Lobbying Influence (TAP-335). Further, the undersigned certifies that the vendor/firm/proposer will not utilize Authority payments made under a contract or agreement, including an amendment, extension, renewal or change order to an existing contract, to pay outside lobbying expenses and will not seek reimbursement of such costs. The undersigned also certifies that he or she is authorized to bind the vendor/firm/proposer contractually.

---

 Contract No.

---

 Description

---

 Vendor/Firm Name

---

 Telephone No.

---

 Print Name

---

 Title

---

 Signature

---

 Date

## SUPPLEMENT 3

Vendor Assurance of No Conflict of Interest  
or Detrimental Effect

## **Vendor Assurance of No Conflict of Interest or Detrimental Effect**

The undersigned entity ("Firm"), offering to provide services pursuant to this RFP, as a contractor, joint venture contractor, subcontractor, or consultant, attests that its performance of the services outlined in this RFP does not and will not create any actual or potential conflict of interest or appearance of impropriety, nor position the Firm to breach any other contract currently in force, with the New York State Thruway Authority ("Authority").

Furthermore, the Firm attests that it will not act in any manner that is detrimental to any Authority project on which the Firm is rendering services. Specifically, the Firm attests and certifies that:

1. The fulfillment of obligations by the Firm, as proposed in the response, does not and will not violate any existing contracts or agreements between the Firm and the Authority;
2. The fulfillment of obligations by the Firm, as proposed in the response, does not and will not create any appearance of impropriety or actual or potential conflict of interest, or any perception thereof, with any current role or responsibility that the Firm has with regard to any existing contracts or agreements between the Firm and the Authority;
3. The fulfillment of obligations by the Firm, as proposed in the response, does not and will not compromise the Firm's ability to carry out its obligations under any existing contracts between the Firm and the Authority;
4. The fulfillment of any other contractual obligations that the Firm has with the Authority will not affect or influence its ability to perform under any contract with the Authority resulting from this RFP;
5. During the negotiation and execution of any contract resulting from this RFP, the Firm will not knowingly take any action or make any decision which creates a potential for conflict of interest or might cause a detrimental impact to the Authority as a whole including, but not limited to, any action or decision to divert resources from one Authority project to another;
6. In fulfilling obligations under each of its Authority contracts, including any contract which results from this RFP, the Firm will act in accordance with the terms of each of its Authority contracts and will not knowingly take any action or make any decision which might cause a detrimental impact to the Authority as a whole including, but not limited to, any action or decision to divert resources from one Authority project to another;
7. No former officer or employee of the Authority or the State of New York ("State") who is now employed by the Firm, nor any former officer or employee of the Firm who is now employed by the Authority or the State, has played a role with regard to the

administration of this contract procurement in a manner that may violate section 73(8)(a) of the New York State Public Officers Law; and

8. The Firm has not and shall not offer to any employee, member or director of the Authority any gift, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence said employee, member or director, or could reasonably be expected to influence said employee, member or director, in the performance of the official duty of said employee, member or director, or was intended as a reward for any official action on the part of said employee, member or director.

The Firm expressly understands, acknowledges, and agrees that the Authority recognizes that conflicts may occur in the future because the Firm may have existing or new relationships. The Firm hereby expressly acknowledges and agrees it shall have a continuing affirmative duty and obligation to notify the Authority immediately of any actual or potential conflicts of interest or the perception thereof, and that failure to promptly provide such notice and information may serve as a basis for termination by the Authority of any Agreement resulting from this RFP. The Authority will review the nature of any such new relationship and reserves the right to reject the Firm's proposal in response to the RFP, or to terminate any contract resulting from this RFP for any reason, including for cause if, in its judgment, a real or potential conflict of interest cannot be cured.

This form must be signed by an authorized executive or legal representative with the authority to bind its organization.

---

Name of Firm

---

Name of Signatory

---

Title of Signatory:

---

Signature:

---

Date:



## SUPPLEMENT 4

Certification Under Executive Order No. 16  
Prohibiting State Agencies and Authorities from Contracting  
with Businesses Conducting Business in Russia

# **Certification Under Executive Order No. 16 Prohibiting State Agencies and Authorities from Contracting with Businesses Conducting Business in Russia**

Executive Order No. 16 provides that “all Affected State Entities are directed to refrain from entering into any new contract or renewing any existing contract with an entity conducting business operations in Russia.” The complete text of Executive Order No. 16 can be found [here](#).

The Executive Order remains in effect while sanctions imposed by the federal government are in effect. Accordingly, vendors who may be excluded from award because of current business operations in Russia are nevertheless encouraged to respond to solicitations to preserve their contracting opportunities in case the sanctions are lifted during a solicitation or even after award in the case of some solicitations.

As defined in Executive Order No. 16, an “entity conducting business operations in Russia” means an institution or company, wherever located, conducting any commercial activity in Russia or transacting business with the Russian Government or with commercial entities headquartered in Russia or with their principal place of business in Russia in the form of contracting, sales, purchasing, investment, or any business partnership.

Is Vendor an entity conducting business operations in Russia, as defined above? Please answer by checking one of the following boxes:

1. No, Vendor does not conduct business operations in Russia within the meaning of Executive Order No. 16.
- 2.a. Yes, Vendor conducts business operations in Russia within the meaning of Executive Order No. 16 but has taken steps to wind down business operations in Russia or is in the process of winding down business operations in Russia. (Please provide a detailed description of the wind down process and a schedule for completion.)
- 2.b. Yes, Vendor conducts business operations in Russia within the meaning of Executive Order No. 16 but only to the extent necessary to provide vital health and safety services within Russia or to comply with federal law, regulations, executive orders, or directives. (Please provide a detailed description of the services being provided or the relevant laws, regulations, etc.)
3. Yes, Vendor conducts business operations in Russia within the meaning of Executive Order No. 16.

The undersigned certifies under penalties of perjury that they are knowledgeable about the Vendor’s business and operations and that the answer provided herein is true to the best of their knowledge and belief.

Vendor Name: \_\_\_\_\_  
(legal entity)

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT 1

### Fee Proposal

RFP #22C31– Actuarial Consulting Services  
For  
Post-Employment Benefits Other Than Pensions  
  
ATTACHMENT 1 - FEE PROPOSAL FORM

**Proposer Name:** \_\_\_\_\_

**REQUIRED SERVICES:**

| <b>For Fiscal Year Ended:</b>   | <b>Fee for Required Service</b> |
|---------------------------------|---------------------------------|
| December 31, 2024               | \$                              |
| December 31 ,2025               |                                 |
| December 31, 2026               |                                 |
| December 31, 2027               |                                 |
| December 31, 2028               |                                 |
| December 31, 2029               |                                 |
| Total Fee For Required Services | \$                              |

**HOURLY RATES FOR OPTIONAL SERVICES\*:**

| <b>TITLES</b> | <b>2024-2026<br/>Hourly Rates</b> | <b>2027-2029<br/>Hourly Rates</b> |
|---------------|-----------------------------------|-----------------------------------|
|               |                                   |                                   |
|               |                                   |                                   |
|               |                                   |                                   |
|               |                                   |                                   |
|               |                                   |                                   |
|               |                                   |                                   |
|               |                                   |                                   |

**\*For the purposes of evaluation, the Optional Services Hourly Rates will be averaged together and then multiplied by an estimated number of hours.**

## ATTACHMENT 2

NYSTA Other Post-Employment Medical  
Benefits - GASB 75 Actuarial Information for  
the Fiscal Year Ending December 31, 2021



## **New York State Thruway Authority Other Post-Employment Medical Benefits**

GASB 75 Actuarial Information for the Fiscal Year  
Ending December 31, 2021

# **Bolton**

*Submitted by:*

**James J. McPhillips, FSA**

Senior Consulting Actuary

(484) 319-5283

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Employee Benefits, Actuarial & Investment Consulting

December 22, 2021

David Malone  
Director of Accounting & Disbursements  
NYS Thruway Authority  
200 Southern Blvd  
Albany, NY 12209

Dear Dave:

The following report contains the GASB 75 accounting actuarial information for the post-employment medical benefits to be included with the New York State Thruway Authority's (the Authority) financial statements. GASB 75 is for Employer Accounting and will be disclosed in the FYE 2021 CAFR notes to the financial statements. The GASB 75 information has been provided as of the December 31, 2020 measurement date for FYE 2021.

### Methodology, Reliance and Certification

This report is prepared for the Authority. This information has been prepared for use in the financial statements of the Authority. This information is not intended for, nor should it be used for any additional purposes.

The total OPEB liability is based on September 1, 2021 valuation data. The plan provisions, participant data, valuation methods, and assumptions are as detailed in Section II through IV of this report.

The discount rate used to determine the liabilities under GASB 75 is based on an index rate for 20- year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. This rate was 2.75% as of December 31, 2019 and 2.00% as of December 31, 2020.

Future medical care cost increase rates are unpredictable and could be volatile. They will depend upon the economy, future health care delivery systems and emerging technologies. The trend rate selected is based on an economic model developed by a health care economist for the Society of Actuaries. Future medical trend increases could vary significantly from the model. Model inputs will be updated periodically based on the best estimate of the economy at that time. Small changes in the model inputs can results in actuarial losses or gains. The report shows the effect of a one percent change in trend rates and the effect of a one percent change in the interest rate assumption.

The Authority is responsible for selecting the plan's funding policy and assumptions. The policies, methods and assumptions used in this valuation are those that have been so prescribed and are found in Section IV. The Authority is solely responsible for communicating to Bolton Partners, Inc. any changes required thereto.

This report is based on plan provisions, census data, and claims data submitted by the Authority. We have relied on this information for purposes of preparing this report but have not performed an audit. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information. The plan sponsor is solely responsible for the validity and completeness of this information.



### Methodology, Reliance and Certification (cont.)

The information in this report was prepared for the internal use of the Authority, the plan and their auditors in connection with our actuarial valuations of the OPEB plan as required by GASB 75. This report may not be used for any other purpose; Bolton Partners, Inc. is not responsible for the consequences of any unauthorized use or the reliance on this information by any other party.

Because the net impact of COVID-19 on health costs and changes in turnover and retirement behavior is not possible to estimate at this time, we have made no adjustments to any of the assumptions selected before the COVID-19 pandemic.

The valuation was completed using both proprietary and third-party models (including software and tools). We have tested these models to ensure they are used for their intended purposes, within their known limitations, and without any known material inconsistencies unless otherwise stated.

We make every effort to ensure that our calculations are accurately performed. We reserve the right to correct any potential errors by amending the results of this report or by including the corrections in a future valuation report.

This report provides certain financial calculations for use by the auditor. These values have been computed in accordance with our understanding of generally accepted actuarial principles and practices and fairly reflect the actuarial position of the plan. The various actuarial assumptions and methods which have been used are, in our opinion, appropriate for the purposes of this report.

The report is conditioned on the assumption of an ongoing plan and is not meant to present the actuarial position of the plan in the case of plan termination. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

Bolton Partners is completely independent of the New York State Thruway Authority, their programs, activities, and any of their key personnel. Bolton Partners does not have any relationship with the New York State Thruway Authority which would impair or appear to impair the objectivity of our work.

The undersigned credentialed actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

James J. McPhillips, FSA, MAAA

Kari Szabo, CEBS





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## Section I. Executive Summary

### Background

Bolton Partners, Inc. has prepared the following report that sets forth the actuarial disclosure information as required by GASB 75 for the Measurement Period Ending December 31, 2021. GASB 75 is for employer accounting and will be disclosed in the FYE 2021 notes to the Authority's comprehensive annual financial report.

### OPEB Trust Arrangement and Funding Policy

There is no New York State statute that expressly authorizes a local government in New York to create a trust for OPEB purposes. In the absence of such a statute, it is questionable whether local governments have the requisite authority for establishing an OPEB trust. Accordingly, the Authority has not established a trust to prefund benefits. It is our understanding that the Authority will continue to fund benefits on a pay-as-you-go basis for FYE 2021.

### Measurement Date

Under GASB 75, the measurement date can be any date between the last day of the prior fiscal year (December 31, 2020 for FYE 2021) and the last day of the current fiscal year (December 31, 2021 for FYE 2021). The Authority has selected December 31, 2020 as its measurement date for FYE 2021.

### Discount Rate Assumption

The discount rate used to determine the liabilities under GASB 75 depends upon the Authority's funding policy. The discount rate for government entities that do not prefund benefits is based on 20-year general obligation bond (GO bond) rates.

The discount rate assumption for disclosure purposes for FYE 2021 is 2.00%, the 20-year GO bond index as of December 31, 2020.

### Comparison with Previous Valuation

The previous GASB Disclosure was based on July 1, 2019 data and the FYE 2020 rollforward valuation was completed August 27, 2020. The Net OPEB Liability increased from \$1,181,202,478 as of 12/31/2019 to \$1,418,155,028 as of 12/31/2020. Losses due to passage of time, unfavorable net claims experience, and updating the discount rate to 2.00% as required by GASB were offset by gains due to demographic experience and updating the trend.

The following table compares the data and reconciles the Net OPEB Liability.

| Comparison of Current and Previous Valuations                   |              |                   |
|---|--------------|-------------------|
|   | July 1, 2019 | September 1, 2021 |
| <b>Demographic Data</b>   |              |                   |
| Employees with Medical Coverage                                 | 1,955        | 1,679             |
| Retirees/Vestees  | 2,411        | 2,527             |
| <b>Reconciliation of Net OPEB Liability</b>                     |              |                   |
| Net OPEB Liability as of 12/31/2019                             |              | \$ 1,181,202,478  |
| Expected Increase   |              | 40,667,882        |
| Increase (Decrease) due to Actual vs. Expected Benefit Payments |              | (1,239,486)       |
| Increase (Decrease) due to Demographic Experience               |              | (14,185,959)      |
| Increase/(Decrease) due to Net Claims Experience                |              | 22,270,920        |
| Increase/(Decrease) due to Change in Trend                      |              | (12,599,500)      |
| Increase/(Decrease) due to Change in Mortality                  |              | 31,885,478        |
| Increase/(Decrease) due to Change in Discount Rate              |              | 170,153,215       |
| Net OPEB Liability as of 12/31/2020                             |              | \$ 1,418,155,028  |

## Section I. Executive Summary

### Plan Provisions

The Authority participates in the New York State Health Insurance Program (NYSHIP), an agent multiple-employer plan. The Authority provides post-employment health insurance benefits to certain retired Thruway employees. Eligible participants are former employees of New York State Thruway Authority who satisfy the following:

- Are enrolled in the New York State Health Insurance Program (NYSHIP) on the date of retirement;
- Complete a minimum service requirement of 5 years to cover the retired employee and dependents while the employee is living. 10 years of service is required for dependent survivors to continue health insurance benefits after the death of the retired employee; and
- Retire as a member of the New York State Employees' Retirement System (normal or early) or be at least 55 years of age at time of termination.

The service retirement eligibility conditions for the New York Employees' Retirement System depend upon date of hire. For new hired, the earliest service retirement eligibility condition is age 55 with 10 years of service.

Retirees who retired on or after April 1, 1991 contribute 6% of the individual premium and 25% of the additional cost of the dependent premium. Retirees who retired prior to April 1, 1991 contribute 0% of the individual premium and 25% of the additional cost of the dependent premium. The contribution rates apply to premium costs up to the cost of the Empire Plan. Premium costs in excess of the Empire Plan are paid 100% by the retiree.

Unused sick leave can be converted into a credit to pay for some of the premiums not covered by the employer contribution. See Section II for more details.

### Demographic Data

Demographic data as of September 1, 2021 was provided to us by the Authority. This data included current medical coverage for current employees and retirees.

Although we have not audited this data, we have no reason to believe that it is inaccurate.

### Claims Data

Paid claims experience was provided by NYSHIP to the Authority. We used the paid claims experience for the period June 1, 2020 through May 31, 2021 for the entire group - all actives and retirees (post-Medicare as well as pre-Medicare). The paid claims experience was broken out by various medical categories such as prescription drugs, hospital inpatient, and hospital outpatient. The paid claims experience did not include estimated retention or prescription drug rebates.

Although we have not audited the paid claims experience, we have no reason to believe that it is inaccurate.

## Section I. Executive Summary

### Implicit Subsidy

The published insurance rates prior to Medicare eligibility are based primarily on the healthcare usage of active employees. Since retirees use healthcare at a rate much higher than employees, using these blended rates creates an implicit subsidy for the retiree group. GASB requires that the claims assumption we use for this valuation be based on the actual per-capita retiree cost. The difference between the actual usage of healthcare by retirees and the assumption built into the published rates is identified as the implicit subsidy amount. The impact on rates can be seen in Section IV. The liabilities could be reduced by publishing rates for retirees prior to Medicare eligibility that more closely reflect the true cost of healthcare for each group.

### Demographic Assumptions

Demographic Assumptions mirror those used for the ERS group as reported in the New York State Development of Recommended Actuarial Assumptions for Other Post-Employment Benefit Plan Actuarial Valuations August 2020 report released by Aon. The mortality assumption was updated to the latest Society of Actuaries (SOA) public sector experience study rates for general employees with mortality improvement scale MP-2021 applied.

Section IV details the assumptions for electing coverage.

### Economic Assumptions

The medical trend assumption has also been updated since the previous valuation. Both valuations use the Society of Actuaries (SOA) Long-Term Trend Medical Cost Trend Model. The prior valuation used SOA Model 2018 baseline assumptions. The current valuation uses the used SOA Model 2022 baseline assumptions. The following assumptions were used as input variables into this model:

|   |       |
|---|-------|
| Rate of Inflation                               | 2.5%  |
| Rate of Growth in Real Income / GDP per capita  | 1.4%  |
| Extra Trend due to Technology and other factors | 1.0%  |
| Expected Health Share of GDP in 2031            | 19.0% |
| Health Share of GDP Resistance Point            | 20.0% |
| Year for Limiting Cost Growth to GDP Growth     | 2075  |

There are no baseline assumptions provided for the trend until 2025. We assumed the trend for the years 2021 through 2025 to be as follows.

| Year | Rate  |
|------|-------|
| 2021 | 6.00% |
| 2022 | 6.00% |
| 2023 | 5.80% |
| 2024 | 5.60% |
| 2025 | 5.20% |

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group.

## Section II. Summary of Principal Plan Provisions

The following summary describes the principal plan provisions assumed in calculating the cost of your post-employment medical plan.

### General Eligibility Rules

The Authority participates in the New York State Health Insurance Program (NYSHIP), an agent multiple-employer plan. The Authority provides post-employment health insurance benefits to certain retired Thruway employees. Eligible participants are former employees of New York State Thruway Authority who satisfy the following:

- Be enrolled in the New York State Health Insurance Program (NYSHIP) on the date of retirement.
- Complete a minimum service requirement of 5 years to cover the retired employee and dependents while the employee is living. 10 years of service is required for dependent survivors to continue health insurance benefits after the death of the retired employee.
- Retire as a member of the New York State Employees' Retirement System (normal or early) or be at least 55 years of age at time of termination.

Terminated participants are eligible to receive OPEB benefits if they have 5 years of service at termination. Ten (10) years of service is required for dependent survivors to continue health insurance benefits after the death of the retired employee. Such individuals are called vestees.

Disabled participants are eligible to receive OPEB benefits if they have 5 years of service at date of disability. Ten (10) years of service is required for dependent survivors to continue health insurance benefits after the death of the disabled employee. Disabled participants may commence OPEB benefits immediately after date of disability. There is no service or age requirement for OPEB benefits if disability is work related.

An employee retiring from Authority service may delay commencement or suspend his/her health coverage and use of the employee's sick leave conversion credits indefinitely provided the employee applies for the delay or suspension and furnishes proof of continued coverage under the health care plan of the employee's spouse or from postretirement employment.

### Pension Retirement Eligibility

The New York State Retirement System (the "System") is a cost-sharing multiemployer retirement system. The plan provisions depend upon a member's Tier (which is determined based upon the date the person became a member of the System).

The earliest service retirement eligibility is summarized below.

| Tier        | Date of hire          | Earliest Retirement Eligibility          |
|-------------|-----------------------|--|
| 1           | Before 7/1/1973       | Age 55 (no service requirement)          |
| 2, 3, and 4 | 7/1/1973 – 12/31/2009 | Age 55 with 5 years of credited service  |
| 5 and 6     | 1/1/2010 – present    | Age 55 with 10 years of credited service |

For work related disability retirement benefits, there is no age or service requirement. For non-work related disability retirement benefits, 10 years of service is required.

## Section II. Summary of Principal Plan Provisions

### Medical Plans

Participants in the New York State Health Insurance Program (NYSHIP) may choose among a large number of medical plans including: Empire Plan, Independent Health Western NY, HMO Blue, Blue Choice, and Blue Cross Blue Shield. Details can be found in the Summary Program Description of the New York State Health Insurance Program Booklet.

Medical coverage includes prescription coverage. Active participants in Unit 1 (Teamsters, Thruway) participate in NYSHIP medical plans that exclude prescription coverage. However, once they retire, their prescription coverage is transferred to NYSHIP.

NYSHIP requires Medicare eligible retirees and their dependents to enroll in Medicare Parts A and B. Medicare is the primary insurer for such participants. The post-age 65 medical plan is a Medicare supplemental plan. In 2013, NYSHIP implemented an employer group waiver plan (EGWP). The EGWP provides post-Medicare participants with prescription drug coverage.

### Medical Premiums

For a post-Medicare retiree, NYSHIP pays the retiree's Medicare Part B premium, unless the retiree receives reimbursement from another source. In most cases, Social Security deducts the Medicare Part B premium from the retiree's monthly Social Security check. New York State adds the standard Medicare Part B premium to the retiree's monthly State pension check. The Part B premium for any dependent eligible to receive primary coverage from Medicare is also reimbursed by NYSHIP, provided the dependent is not reimbursed by another source.

The premiums for medical coverage for the calendar year 2021 for the Empire Plan (plan code 001) is summarized below. The premiums shown are monthly. The premiums remain the same pre-Medicare versus post-Medicare.

|  | Medical Coverage |            |
|--|------------------|------------|
|  | Individual       | Family     |
| Total Premium (Empire Plan)                                  | \$ 838.22        | \$2,071.88 |
| Retiree Contribution (Retired on or after 4/1/1991)          | \$ 50.29         | \$ 308.41  |
| Retiree Contribution (Retired prior to 4/1/1991)             | \$ -             | \$ 260.82  |
| Surviving Spouse Contribution (Retired on or after 4/1/1991) | \$ 308.41        | \$ 308.41  |
| Surviving Spouse Contribution (Retired prior to 4/1/1991)    | \$ 260.82        | \$ 260.82  |
| Vestee Contribution (pre-age 55)                             | \$ 838.22        | \$2,071.88 |

## Section II. Summary of Principal Plan Provisions

### Participant Contributions

Retirees who retired on or after April 1, 1991 contribute 6% of the individual premium and 25% of the additional cost of the dependent premium. Retirees who retired prior to April 1, 1991 contribute 0% of the individual premium and 25% of the additional cost of the dependent premium. The contribution rates apply to premium costs up to the cost of the Empire Plan. Premium costs in excess of the Empire Plan are paid 100% by the retiree.

All active employees contribute at varying rates for individual and/or family coverage. Specific contribution rates for active employees vary depending on the employee's bargaining unit (Union) and their hire date. However, once an employee retires and meets the eligibility requirements for post-employment health insurance benefits, they contribute at the rates reflected above.

Vestees pay 100% of premium prior to age 55. After age 55, a vestee may enroll as a retiree and contribute at the rates reflected above.

For employees with 10 or more years of service on date of death, the eligible surviving spouse may continue coverage at a contribution rate equivalent to what the retiree would pay for family coverage.

The Authority pays 100% of the cost of survivors' coverage for any survivor of an employee who deceased due to a work-related injury, regardless of age or length of service, for as long as the survivor remains eligible.

### Life Insurance

The Survivor's Benefit Program provides life insurance in the amount of \$3,000 is payable to the retiree's designated beneficiary. A participant is eligible for this benefit if:

- The participant is a member of the NYS Employees' Retirement System and applied for the retirement benefits offered by ERS (or the participant left the Authority/Corporation service) after attaining age 62, and
- The participant served in the Authority/Corporation or in New York State service full time for at least 10 of the 15 years immediately preceding termination or retirement from Authority/Corporation service.

This benefit is entirely paid for by the Authority. There is no retiree contribution for this benefit.

## Section II. Summary of Principal Plan Provisions

### Sick Leave

Unused sick leave can be used to defray the health insurance premium paid by the retiree. At retirement, a maximum of 200 days of unused sick leave can be converted to a lifetime monthly credit that is used to reduce the retiree share of the premium. Although the cost of medical coverage may change, the amount of the retiree's monthly sick leave credit will remain the same throughout the retiree's lifetime. If the sick leave credit does not fully cover the retiree's share of the premiums, the retiree must pay the balance. If the credit exceeds the retiree share of the premium, the excess credit is not refunded. This "lifetime monthly credit" is available to members of ERS/TRS and the Optional Retirement Program (ORP).

The retiree has the option of specifying that the retiree's dependent survivors may use the monthly sick leave credit after the retiree's death. This option is called the Dual Annuitant Sick Leave Credit. The retiree must choose this option before the retiree's last day on the payroll. The retiree does not need to have family coverage at the time of retirement to choose this option. The sick leave credit will be reduced by 30% for as long as the retiree lives if the retiree chooses the Dual Annuitant Sick Leave Credit. Under the Dual Annuitant Sick Leave Credit, the retiree's dependent survivors may continue to use the same monthly credit to offset their NYSHIP premium until the dependent survivors' death.

The dollar value of unused sick leave is converted into a monthly amount by dividing it by the participant's life expectancy. Sample rates are given below.

| Age | Life expectancy (months) |
|-----|--------------------------|
| 50  | 308                      |
| 55  | 271                      |
| 60  | 232                      |
| 65  | 192                      |
| 70  | 154                      |
| 75  | 119                      |

### Changes in plan provisions since prior valuation

None.



## Section III. Valuation Data

### Counts

The following table summarizes the counts, ages and coverage as of 9/1/2021.

|     |                                       |              |
|-----|---------------------------------------|--------------|
|     |                                       |              |
| (1) | Number of Participants                |              |
| (a) | Active Employees                      | 1,679        |
| (b) | Vestees                               | 1            |
| (c) | Retirees in Pay Status (Pre-Medicare) | 733          |
| (d) | Retirees in Pay Status (Medicare Age) | 1,793        |
| (e) | <b>Total</b>                          | <b>4,206</b> |
| (2) | Active Statistics                     |              |
| (a) | Average Age                           | 47.92        |
| (b) | Average Service                       | 15.17        |
| (3) | Inactive Statistics                   |              |
| (a) | Vestees                               | 55.21        |
| (b) | Average Age – Retirees (Pre-Medicare) | 60.69        |
| (c) | Average Age – Retirees (Medicare Age) | 75.69        |

### Retiree/Vestees Statistics and Age Distribution

The table below shows the distribution based on age for retirees with medical coverage as of 9/1/2021.

| Age          | Medical/Drug Individual | Medical/Drug Spousal | Medical/Drug Total |
|--------------|-------------------------|----------------------|--------------------|
| Less Than 50 | 14                      | 13                   | 27                 |
| 50 – 54      | 122                     | 121                  | 243                |
| 55 – 59      | 247                     | 217                  | 464                |
| 60 – 64      | 269                     | 240                  | 509                |
| 65 – 69      | 260                     | 217                  | 477                |
| 70 – 74      | 193                     | 130                  | 323                |
| 75 - 79      | 338                     | 146                  | 484                |
| <b>Total</b> | <b>1,443</b>            | <b>1,084</b>         | <b>2,527</b>       |

## Section III. Valuation Data

### Active Age - Service Distribution

Shown below is the distribution of active participants based on age and service as of 9/1/2021. Only actives currently enrolled in medical coverage are included.

| Age      | Years of Service as of 09/01/2021 |       |       |       |       |       |     | Total |
|----------|-----------------------------------|-------|-------|-------|-------|-------|-----|-------|
|          | Under 1                           | 01-04 | 05-09 | 10-14 | 15-19 | 20-24 | 25+ |       |
| Under 25 | 11                                | 29    | 3     | 0     | 0     | 0     | 0   | 43    |
| 25 - 29  | 5                                 | 55    | 16    | 0     | 0     | 0     | 0   | 76    |
| 30 - 34  | 9                                 | 44    | 38    | 23    | 5     | 0     | 0   | 119   |
| 35 - 39  | 5                                 | 42    | 41    | 40    | 34    | 1     | 0   | 163   |
| 40 - 44  | 10                                | 35    | 21    | 41    | 48    | 25    | 0   | 180   |
| 45 - 49  | 3                                 | 28    | 33    | 38    | 45    | 57    | 18  | 222   |
| 50 - 54  | 3                                 | 43    | 23    | 30    | 39    | 74    | 130 | 342   |
| 55 - 59  | 4                                 | 34    | 18    | 30    | 41    | 58    | 123 | 308   |
| 60 - 64  | 1                                 | 17    | 13    | 21    | 25    | 37    | 53  | 167   |
| 65 - 69  | 0                                 | 4     | 5     | 8     | 7     | 10    | 17  | 51    |
| 70 & Up  | 0                                 | 0     | 0     | 2     | 0     | 3     | 3   | 8     |
| Totals   | 51                                | 331   | 211   | 233   | 244   | 265   | 344 | 1,679 |

The following table shows averages in total for Active participants in this valuation.

| Averages | Amount |
|----------|--------|
| Age:     | 47.92  |
| Service: | 15.17  |

## Section IV. Valuation Methods and Assumptions

### Liability Cost Method

This valuation uses the Entry Age Normal cost method.

### Party Responsible for Assumptions and Methods

New York State Thruway Authority

### Actuarial Valuation Date

September 1, 2021 for FYE 2021.

### Measurement Date

December 31, 2020 for FYE 2021.

### Roll Forward Method

Calculations were performed as of the actuarial valuation date and liabilities were rolled backwards to measurement date. The accrued liability plus a prorated amount of normal cost minus a prorated amount of benefit payments was rolled back with interest to the measurement date.

### Percent of Employees Currently Electing Coverage Assumed to Continue Coverage in Retirement

All active employees are assumed to elect post-employment health coverage upon retirement (service retirement or disability retirement).

### Coverage Status and Age of Spouse

Females are assumed 3 years younger than male spouse. For retirees and vestees, the spouse date of birth in the data was used. For retirees and vestees with family coverage and blank spouse date of birth, we used the same assumptions (females 3 years younger than males) as for actives.

### Percent married assumption and medical coverage assumption

For current active employees enrolled in a health plan, actual medical coverage information provided in the data is used. In other words, employees with individual coverage are assumed to choose individual coverage upon retirement. Employees with family coverage are assumed to choose family coverage upon retirement.

For opt out active employees, we assume that 25% of the employees will choose individual coverage upon retirement and 75% of the employees will choose family coverage upon retirement. These percentages are similar to the percentage of employees with medical coverage who chose individual coverage versus family coverage.

For current retirees (including vestees), actual medical coverage information provided in the data is used.

### Interest Assumptions

2.00% for FYE 2021

## Section IV. Valuation Methods and Assumptions

### Trend Assumption

All Medical trend used in the valuation were based on SOA long-run medical cost trend model as updated November 2021.

| Year  | Rate  |
|-------|-------|
| 2021  | 6.00% |
| 2022  | 6.00% |
| 2023  | 5.80% |
| 2024  | 5.60% |
| 2025  | 5.20% |
| 2030  | 5.01% |
| 2035  | 4.97% |
| 2040  | 4.81% |
| 2045  | 4.70% |
| 2050  | 4.64% |
| 2060  | 4.54% |
| 2070  | 4.20% |
| 2075+ | 3.94% |

### Retirement System

For valuation purposes, all actives are assumed to be in the New York State Employees' Retirement System (ERS).

### Payroll Growth

Current salary was projected using the ERS salary scale including a 2.20% inflation component. Sample rates are:

| Service | Salary Scale |
|---------|--------------|
| 0       | 10.30%       |
| 5       | 5.92%        |
| 10      | 4.86%        |
| 15      | 4.40%        |
| 20      | 4.06%        |
| 25      | 3.81%        |
| 30      | 3.68%        |
| 35      | 3.56%        |

## Section IV. Valuation Methods and Assumptions

### Decrement Assumptions

Below is a summary of decrements used in this valuation. Demographic Assumptions mirror those used for the ERS group as reported in the New York State Development of Recommended Actuarial Assumptions for Other Post-Employment Benefit Plan Actuarial Valuations August 2020 report released by Aon, with the exception of the mortality assumption. Sample Retirement, Disability, and Termination rates are illustrated in the tables below.

#### Rates of Mortality

The Society of Actuaries (SOA) recently published the first public plans mortality study. The Study analyzed general employees, public safety, and teachers experience separately. We updated the mortality assumption to that recommended by the SOA study for general employees and used the most recently released mortality improvement (MP-2021) scale. Since this is an OPEB valuation we used the head count weighted version of the table.

#### Rates of disability

| Age | Tiers 1 & 2 | Tiers 3 - 6 |
|-----|-------------|-------------|
| 20  | 0.069%      | 0.050%      |
| 25  | 0.069%      | 0.050%      |
| 30  | 0.069%      | 0.050%      |
| 35  | 0.107%      | 0.090%      |
| 40  | 0.128%      | 0.112%      |
| 45  | 0.232%      | 0.217%      |
| 50  | 0.368%      | 0.353%      |
| 55  | 0.487%      | 0.475%      |
| 60  | 0.708%      | 0.694%      |
| 65  | 1.033%      | 1.019%      |
| 70  | 0.000%      | 0.000%      |

## Section IV. Valuation Methods and Assumptions

### Decrement Assumptions

#### Annual rates of withdrawal

| Age | Years of Service |         |         |        |        |        |
|-----|------------------|---------|---------|--------|--------|--------|
|     | 0 - 1            | 2       | 3       | 4      | 5 – 9* | 10+*   |
| 15  | 25.066%          | 12.991% | 7.721%  | 6.550% | 4.365% | 1.510% |
| 20  | 25.050%          | 12.991% | 7.721%  | 6.550% | 4.365% | 1.510% |
| 25  | 20.978%          | 14.500% | 10.279% | 7.437% | 4.528% | 1.510% |
| 30  | 15.870%          | 13.472% | 10.331% | 7.712% | 4.347% | 1.558% |
| 35  | 14.988%          | 11.073% | 9.256%  | 6.877% | 4.439% | 1.934% |
| 40  | 13.991%          | 9.714%  | 7.283%  | 5.674% | 4.048% | 1.692% |
| 45  | 13.150%          | 8.652%  | 6.433%  | 5.413% | 3.614% | 1.582% |
| 50  | 13.485%          | 8.135%  | 6.301%  | 5.101% | 3.283% | 1.308% |
| 55  | 13.641%          | 8.095%  | 6.520%  | 5.181% | 3.320% | 1.198% |
| 60  | 14.448%          | 9.655%  | 7.617%  | 5.821% | 2.363% | 1.196% |
| 65  | 15.971%          | 11.118% | 8.365%  | 6.096% | 1.874% | 1.196% |
| 69  | 15.971%          | 11.118% | 8.365%  | 6.096% | 1.874% | 1.196% |
| 70  | 0.000%           | 0.000%  | 0.000%  | 0.000% | 0.000% | 0.000% |

\*For Tiers 5 and up, the rates for service = 5-9 years should be multiplied by .6, and the rates for service = 10+ years should be multiplied by 2.

#### Rates of retirement

| Age | Tiers 1 - 4<br>Years of Service |          |          |
|-----|---------------------------------|----------|----------|
|     | < 20                            | 20 - 29  | 30 +     |
| 55  | 5.709%                          | 9.699%   | 49.644%  |
| 56  | 3.790%                          | 5.833%   | 18.949%  |
| 57  | 3.798%                          | 6.138%   | 19.353%  |
| 58  | 4.130%                          | 6.845%   | 18.667%  |
| 59  | 4.706%                          | 7.568%   | 20.606%  |
| 60  | 5.402%                          | 8.467%   | 21.232%  |
| 61  | 8.467%                          | 18.948%  | 25.166%  |
| 62  | 14.854%                         | 37.678%  | 34.932%  |
| 63  | 11.136%                         | 24.518%  | 26.016%  |
| 64  | 12.653%                         | 24.300%  | 22.955%  |
| 65  | 16.595%                         | 28.931%  | 22.940%  |
| 66  | 18.398%                         | 32.495%  | 26.979%  |
| 67  | 16.206%                         | 27.929%  | 25.803%  |
| 68  | 15.145%                         | 27.447%  | 22.906%  |
| 69  | 15.375%                         | 26.557%  | 24.605%  |
| 70  | 100.000%                        | 100.000% | 100.000% |

## Section IV. Valuation Methods and Assumptions

### Decrement Assumptions

#### Rates of retirement

| Age | Tier 5<br>Years of Service |          |          |
|-----|----------------------------|----------|----------|
|     | < 20                       | 20 - 29  | 30 +     |
| 55  | 4.567%                     | 7.759%   | 9.699%   |
| 56  | 3.032%                     | 4.666%   | 5.833%   |
| 57  | 3.038%                     | 4.910%   | 6.138%   |
| 58  | 3.304%                     | 5.476%   | 6.845%   |
| 59  | 3.765%                     | 6.054%   | 7.568%   |
| 60  | 4.322%                     | 6.774%   | 8.467%   |
| 61  | 6.774%                     | 15.158%  | 18.948%  |
| 62  | 34.854%                    | 47.678%  | 42.932%  |
| 63  | 11.136%                    | 24.518%  | 26.016%  |
| 64  | 12.653%                    | 24.300%  | 22.955%  |
| 65  | 16.595%                    | 28.931%  | 22.940%  |
| 66  | 18.398%                    | 32.495%  | 26.979%  |
| 67  | 16.206%                    | 27.929%  | 25.803%  |
| 68  | 15.145%                    | 27.447%  | 22.906%  |
| 69  | 15.375%                    | 26.557%  | 24.605%  |
| 70  | 100.000%                   | 100.000% | 100.000% |

#### Rates of retirement

| Age | Tier 6<br>Years of Service |          |          |
|-----|----------------------------|----------|----------|
|     | < 20                       | 20 - 29  | 30 +     |
| 55  | 4.567%                     | 7.759%   | 9.699%   |
| 56  | 3.032%                     | 4.666%   | 5.833%   |
| 57  | 3.038%                     | 4.910%   | 6.138%   |
| 58  | 3.304%                     | 5.476%   | 6.845%   |
| 59  | 3.765%                     | 6.054%   | 7.568%   |
| 60  | 4.322%                     | 6.774%   | 8.467%   |
| 61  | 6.774%                     | 15.158%  | 18.948%  |
| 62  | 9.854%                     | 17.678%  | 27.678%  |
| 63  | 36.136%                    | 54.518%  | 35.016%  |
| 64  | 12.653%                    | 24.300%  | 22.955%  |
| 65  | 16.595%                    | 28.931%  | 22.940%  |
| 66  | 18.398%                    | 32.495%  | 26.979%  |
| 67  | 16.206%                    | 27.929%  | 25.803%  |
| 68  | 15.145%                    | 27.447%  | 22.906%  |
| 69  | 15.375%                    | 26.557%  | 24.605%  |
| 70  | 100.000%                   | 100.000% | 100.000% |

## Section IV. Valuation Methods and Assumptions

### Medical plan

All active employees were assumed to choose the Empire Plan upon retirement. Because most of the current retirees are in the Empire Plan, for simplicity we valued the OPEB plan assuming all current retirees are in the Empire Plan.

### Vestees

Vestees are assumed to commence OPEB benefits at age 55. Employees who terminate with 5 or more years of service are assumed to elect OPEB coverage in accordance with the following table:

| Age at Termination | Percent Electing OPEB |
|--------------------|-----------------------|
| <40                | 0.0%                  |
| 40-43              | 5.0%                  |
| 44                 | 20.0%                 |
| 45-46              | 30.0%                 |
| 47-48              | 40.0%                 |
| 49                 | 50.0%                 |
| 50-51              | 80.0%                 |
| 52-54              | 100.0%                |

In the event a terminated employee predeceases his/her spouse, we assumed the surviving spouse will have OPEB benefits only for employees who terminated with 10 or more years of service.

### Sick leave

All active employees were assumed to have 113 days of sick leave upon retirement. (Active employees who decrement due to disability are assumed to have 113/3 days of sick leave on date of disability.) This number of days was then converted to a dollar amount which the retiree uses to offset his/her premium. The conversion was determined as projected salary at retirement multiplied by number of sick days, divided by 260 days (52 weeks x 5 days per week).

Active participants currently enrolled in a medical plan with family coverage were assumed to elect the dual annuitant option at retirement. Active participants currently enrolled in a medical plan with individual coverage were assumed to elect the actuarially equivalent option (i.e. the credit lasts only for the life of the retired employee).

Opt-out employees were assumed to elect the dual annuitant option with 75% probability.

For active and opt out members who are assumed to have individual coverage at retirement, the calculated sick leave credit is applied against the retiree's individual premium. The credit is for the life of the participant.

For current vestees, the data does not contain sick leave information. We assumed all current vestees have no sick leave credit. We assumed any current active employee who terminates vested will have no sick leave credit.



## Section IV. Valuation Methods and Assumptions

### Sick leave

For current retired and disabled participants with family coverage, the sick leave credit amount in the data is used to offset the retirees' family premium (for as long as the retiree is alive) if the sick leave type is either dual annuitant or actuarially equivalent. If the sick leave type is "dual annuitant" and the retiree predeceases the spouse, then the sick leave is applied to the surviving spouse's premium. If the sick leave type is "actuarially equivalent", and the retiree predeceases the spouse, then no sick leave is applied to the surviving spouse's premium.

For current retiree and disabled participants with blank sick leave type but with a positive sick leave amount, we assumed the sick leave had run out (affects 3 records).

For all other retirees, the sick leave credit amount in the data was used to offset the retirees' individual premium (where applicable). The credit is for the life of the retiree.

For current surviving spouses the sick leave amount in the data was used to offset the surviving spouse's premium. (We did not use the sick leave type in the data for surviving spouses because this field was blank for most surviving spouses).

The sick leave credit is applied only until the contribution balance reaches zero.

### Claims Assumption

The Authority participates in the New York State Health Insurance Program (NYSHIP), an agent multiple-employer plan. NYSHIP is administered through the Department of Civil Services and the Authority pays the cost of administration. NYSHIP is a community rated plan. Actuarial Standards of Practice 6 (Measuring Retiree Group Obligations) was revised May 2014. According to the revised ASOP 6, a community rated plan must use age specific claims assumptions (including the implicit subsidy), regardless of the size of the group being valued.

Consequently, our claims assumption is based on the actual Authority paid claims experience for the period June 1, 2020 through May 31, 2021 for the entire group - all actives and retirees (post-Medicare as well as pre-Medicare). The paid claims experience was provided by NYSHIP to the Authority. The paid claims experience was broken out by various medical categories such as prescription drugs, inpatient hospital, and outpatient hospital. The paid claims experience did not include estimated retention or prescription drug rebates.

The average per capita claims are projected to Fiscal Year 2022. Pre-Medicare Medical and prescription claims were projected assuming a 6 percent increase and Post-Medicare Medical and prescription claims were projected assuming annual increase of 7 percent. We reduced the prescription drug claims 12 percent to account for drug rebates. This year, we did not separately receive rebate information but based this assumption on previous rebates received and current industry rebate trends.

## Section IV. Valuation Methods and Assumptions

### Claims Assumption

We age-adjusted the average per capita cost as appropriate when analyzing health care cost differences by age. We used an 8 percent load for administrative expenses.

NYSHIP reimburses retirees for Medicare B premiums. However, the actual Authority paid claims experience we received did not contain the Medicare B premium reimbursement amount. Hence, we increased the post 65 cost by \$1,782/year per person to take into account Medicare B reimbursement by NYSHIP.

The pre-Medicare cost for family medical coverage was assumed to be 2.47 times the cost for single medical coverage. This figure is calculated based upon the actual premium for the Empire Plan. The post-Medicare cost for family medical coverage was assumed to be 2 times the cost for single medical coverage.

The table below summarizes the assumed annual medical and prescription cost that was used for this valuation.

| Total Annual FYE 2022 Costs              | Single   | Family   |
|--|----------|----------|
| Total Medical and Prescription Drug Cost |          |          |
| a. Under 50                              | \$7,755  | \$19,167 |
| b. Age 50-54                             | \$9,375  | \$23,174 |
| c. Age 55-59                             | \$10,890 | \$26,919 |
| d. Age 60-64                             | \$12,838 | \$31,733 |
| e. Age 65-69*                            | \$7,804  | \$15,609 |
| f. Age 70-74*                            | \$8,909  | \$17,818 |
| g. Age 75-79*                            | \$9,379  | \$18,757 |
| h. Age 80-84*                            | \$10,034 | \$20,067 |
| i. Age 85 and Older*                     | \$10,156 | \$20,313 |

\* Includes the cost of reimbursing Medicare Part B premiums (\$1,782/year).

## Section IV. Valuation Methods and Assumptions

### Other Assumptions

- The \$3,000 survivor death benefit was not valued because it is de minimus.
- Active participants with no date of hire were valued using the New York State Appointment Date as their date of hire.
- Active participants and opt out participants with blank Tier were assigned Tier based upon their date of hire.
- Active participants missing salary were assumed to have salary equal to the average salary for actives.
- Current surviving spouses with family coverage were assumed to have parent/child coverage rather than husband/wife/child coverage.
- For active participants who die while in active service, and the employee had 10 or more years of service at date of death – we valued an OPEB benefits to the surviving spouse starting at the deceased active participant's age 55.

### Changes in assumptions since prior valuation

- The claims assumption was updated to reflect the most recent plan experience available.
- The discount rate was updated to 2.00% as required by GASB 75.
- The trend assumption was updated to the most recent table published by the Society of Actuaries.
- We updated the mortality assumption to that recommended by the SOA study for general employees and used the most recently released mortality improvement (MP2021) scale

## Section V. Glossary

### Annual OPEB Cost (AOC):

An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

### Annual Required Contributions of the Employer(s) (ARC):

The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.

### Covered Group:

Plan members included in an actuarial valuation.

### Defined Benefit OPEB Plan:

An OPEB plan having terms that specify the amount of benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

### Employer's Contributions:

Contributions made in relation to the annual required contributions of the employer (ARC). An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or an equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.

### Funded Ratio:

The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

### Healthcare Cost Trend Rate:

The rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

### Investment Return Assumption (Discount Rate):

The rate used to adjust a series of future payments to reflect the time value of money.

### Level Percentage of Projected Payroll Amortization Method:

Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level. This method can not be used if the plan is closed to new entrants.

### Net OPEB Obligation:

The cumulative difference since the effective date of this Statement between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

## Section V. Glossary

### Normal Cost or Normal Actuarial Cost:

That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

### Other Post-employment Benefits:

Post-employment benefits other than pension benefits. Other post-employment benefits (OPEB) include post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

### Pay-as-you-go (PAYG):

A method of financing a benefits plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

### Payroll Growth Rate:

An actuarial assumption with respect to future increases in total covered payroll attributable to inflation; used in applying the level percentage of projected payroll amortization method.

### Plan Liabilities:

Obligations payable by the plan at the reporting date, including, primarily, benefits and refunds due and payable to plan members and beneficiaries, and accrued investment and administrative expenses. Plan liabilities do not include actuarial accrued liabilities for benefits that are not due and payable at the reporting date.

### Plan Members:

The individuals covered by the terms of an OPEB plan. The plan membership generally includes employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits.

### Post-employment:

The period between termination of employment and retirement as well as the period after retirement.

### Post-employment Healthcare Benefits:

Medical, dental, vision, and other health-related benefits provided to terminated or retired employees and their dependents and beneficiaries.

### Select and Ultimate Rates:

Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8 percent for year 2000, 7.5 percent for 2001, and 7 percent for 2002 and thereafter, then 8 percent and 7.5 percent are select rates, and 7 percent is the ultimate rate.

## Section V. Glossary

### Post-employment Healthcare Benefits:

Medical, dental, vision, and other health-related benefits provided to terminated or retired employees and their dependents and beneficiaries.

### Select and Ultimate Rates:

Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8 percent for year 2020, 7.5 percent for 2021, and 7 percent for 2022 and thereafter, then 8 percent and 7.5 percent are select rates, and 7 percent is the ultimate rate.

## Section VI. Expected Benefit Payments

| Plan Year<br>Ending 12/31 | Total Expected<br>Benefit<br>Payments |
|---------------------------|---------------------------------------|
| 2022                      | \$35,471,324                          |
| 2023                      | \$37,662,825                          |
| 2024                      | \$40,117,877                          |
| 2025                      | \$42,635,807                          |
| 2026                      | \$44,876,956                          |
| 2027                      | \$46,914,720                          |
| 2028                      | \$49,061,203                          |
| 2029                      | \$51,216,336                          |
| 2030                      | \$53,088,507                          |
| 2031                      | \$55,235,154                          |

- The expected benefit payment stream shown above assumes that the covered population is a closed group, i.e., there are no new entrants or re-entrants.
- The Plan's actual benefit payments may be greater or lesser than the amounts shown, depending on actual demographic experience and claims experience.

## Section VII. GASB 75 Disclosure

### Change in Net OPEB Liability

|   | Total OPEB<br>Liability<br>(a) | Plan Fiduciary Net<br>Position<br>(b) | Net OPEB Liability<br>(a) - (b) |
|---|--------------------------------|---------------------------------------|---------------------------------|
| <b>Balance as of December 31, 2019 for FYE 2020</b> | <b>\$1,181,202,478</b>         | <b>\$0</b>                            | <b>\$1,181,202,478</b>          |
| Changes for the Year                                |                                |                                       |                                 |
| Service Cost  | 41,110,400                     |                                       | 41,110,400                      |
| Interest  | 32,036,482                     |                                       | 32,036,482                      |
| Changes of Benefit Terms                            | 0                              |                                       | 0                               |
| Experience Losses/(Gains)                           | 8,084,961                      |                                       | 8,084,961                       |
| Trust Contribution - Employer                       |                                | 33,718,486                            | (33,718,486)                    |
| Net Investment Income                               |                                | 0                                     | 0                               |
| Changes in Assumptions                              | 189,439,193                    |                                       | 189,439,193                     |
| Benefit Payments (net of retiree contributions)     | (33,718,486)                   | (33,718,486)                          | 0                               |
| Administrative Expense                              |                                | 0                                     | 0                               |
| Net Changes   | 236,952,550                    | 0                                     | 236,952,550                     |
| <b>Balance as of December 31, 2020 for FYE 2021</b> | <b>\$1,418,155,028</b>         | <b>\$0</b>                            | <b>\$1,418,155,028</b>          |
| Funded status                                       |                                | 0.00%                                 |                                 |



## Section VII. GASB 75 Disclosure

### OPEB Expense - Required by GASB 75

|   |                       |
|---|-----------------------|
| 1. Service Cost                                       | \$ 41,110,400         |
| 2. Interest   | 32,036,482            |
| 3. Projected Earnings on OPEB Trust                   | 0                     |
| 4. OPEB Administrative Expense                        | 0                     |
| 5. Changes in Benefit Terms                           | 0                     |
| 6. Differences Between Expected and Actual Earnings   |                       |
| In Current Fiscal Year Recognized in Current Year     | 0                     |
| From Past Years Recognized in Current Year            | 0                     |
| Total   | 0                     |
| 7. Differences Between Expected and Actual Experience |                       |
| In Current Fiscal Year Recognized in Current Year     | 2,021,240             |
| From Past Years Recognized in Current Year            | 1,003,813             |
| Total   | 3,025,053             |
| 8. Changes in Assumptions                             |                       |
| In Current Fiscal Year Recognized in Current Year     | 47,359,798            |
| From Past Years Recognized in Current Year            | 20,572,620            |
| Total   | 67,932,418            |
| <b>9. Total OPEB Expense</b>                          | <b>\$ 144,104,353</b> |

## Section VII. GASB 75 Disclosure

### Sensitivity of Total and Net OPEB Liability - Required by GASB 75

The following table presents New York State Thruway Authority's Total and Net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher.

| <b>Discount Rate</b>       | <b>1% Decrease<br/>1.00%</b> | <b>Discount Rate<br/>2.00%</b> | <b>1% Increase<br/>3.00%</b> |
|----------------------------|------------------------------|--------------------------------|------------------------------|
| Total OPEB Liability       | \$1,700,028,423              | \$1,418,155,028                | \$1,197,744,168              |
| Net OPEB Liability/(Asset) | \$1,700,028,423              | \$1,418,155,028                | \$1,197,744,168              |

The following table presents New York State Thruway Authority's Total and Net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher.

| <b>Ultimate Trend</b>      | <b>1% Decrease<br/>2.94%</b> | <b>Medical Trend<br/>3.94%</b> | <b>1% Increase<br/>4.94%</b> |
|----------------------------|------------------------------|--------------------------------|------------------------------|
| Total OPEB Liability       | \$1,191,812,261              | \$1,418,155,028                | \$1,712,429,081              |
| Net OPEB Liability/(Asset) | \$1,191,812,261              | \$1,418,155,028                | \$1,712,429,081              |

## Section VII. GASB 75 Disclosure

### Deferred Inflows/Outflows of Resources Related to OPEB - Required by GASB 75

For the fiscal year ended December 31, 2021, New York State Thruway Authority recognized an OPEB expense of \$144,104,353. At December 31, 2021, New York State Thruway Authority reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                               | \$ 8,071,348                      | \$ -                             |
| Changes of assumptions   | 256,702,896                       | 58,967,982                       |
| Net difference between projected and actual earnings<br>on OPEB plan investments | -                                 | -                                |
| Employer contribution subsequent to measurement date                             | TBD                               |                                  |
| <b>Total</b>   | <b>\$ 264,774,244</b>             | <b>\$ 58,967,982</b>             |

An amount to be determined will be reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

| Fiscal Year Ended<br>December 31 | Measurement<br>Date  | Earnings<br>(Inflow)/Outflow |
|----------------------------------|----------------------|------------------------------|
| 2022                             | 12/31/2021           | \$ 70,957,469                |
| 2023                             | 12/31/2022           | 53,184,307                   |
| 2024                             | 12/31/2023           | 81,664,486                   |
| 2025                             | 12/31/2024           | -                            |
| 2026                             | 12/31/2025           | -                            |
| Thereafter                       | 12/31/2026 and after | -                            |

## Section VII. GASB 75 Disclosure

### Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments

In conformity with paragraph 86b of Statement 75, the effects of differences between projected and actual earnings on OPEB plan investments are recognized in collective OPEB expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period. The following table illustrates the application of this requirement.

| Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Projected and Actual Earnings on OPEB Plan Investments |  |                            |      |      |      |      |      |      |      |      |      |
|--|--|----------------------------|------|------|------|------|------|------|------|------|------|
| Year   | Differences between Projected and Actual Earnings on OPEB Plan Investments | Recognition Period (Years) | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| 2017   | \$ -   | 5                          | \$ - | -    | -    | -    | -    | -    | -    | -    | -    |
| 2018   | -  | 5                          |      | \$ - | -    | -    | -    | -    | -    | -    | -    |
| 2019   | -  | 5                          |      |      | \$ - | -    | -    | -    | -    | -    | -    |
| 2020   | -  | 5                          |      |      |      | \$ - | -    | -    | -    | -    | -    |
| 2021   | -  | 5                          |      |      |      |      | \$ - | -    | -    | -    | -    |
| Net increase (decrease) in OPEB expense  |  |                            | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

### Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Projected and Actual Earnings on OPEB Plan Investments

|      |   |  |  | Balances at December 31, 2020            |   |
|------|---|--|--|--|---|
| Year | Investment Earnings Less than Projected (a) | Investment Earnings Greater Than Projected (b) | Amounts Recognized in OPEB Expense Through December 31, 2020 (c) | Deferred Outflows of Resources (a) - (c) | Deferred Inflows of Resources (b) - (c) |
| 2017 | \$ -  | \$ -   | \$ -   | \$ -                                     | \$ -                                    |
| 2018 | -   | -  | -  | -  | -                                       |
| 2019 | -   | -  | -  | -  | -                                       |
| 2020 | -   | -  | -  | -  | -                                       |
| 2021 | -   | -  | -  | -  | -                                       |
|      |   |  |  | \$ -                                     | \$ -                                    |

## Section VII. GASB 75 Disclosure

### Schedule of Differences between Expected and Actual Experience

In conformity with paragraph 86a of Statement 75, the effects of differences between expected and actual experience are recognized in collective OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees), determined as of the beginning of the measurement period. The following table illustrates the application of this requirement.

| Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Expected and Actual Experience |  |                            |       |      |      |      |              |              |              |              |              |              |      |      |            |      |
|--|--|----------------------------|-------|------|------|------|--------------|--------------|--------------|--------------|--------------|--------------|------|------|------------|------|
| Year   | Differences between Expected and Actual Experience | Recognition Period (Years) | Prior | 2016 | 2017 | 2018 | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025 | 2026 | Thereafter |      |
| Prior  |  |                            | \$ -  | -    | -    | -    | -            | -            | -            | -            | -            | -            | -    | -    | -          | -    |
| 2016   | -  | 1                          |       | \$ - | -    | -    | -            | -            | -            | -            | -            | -            | -    | -    | -          | -    |
| 2017   | -  | 1                          |       |      | \$ - | -    | -            | -            | -            | -            | -            | -            | -    | -    | -          | -    |
| 2018   | -  | 5                          |       |      |      | \$ - | -            | -            | -            | -            | -            | -            | -    | -    | -          | -    |
| 2019   | 5,019,066  | 5                          |       |      |      |      | \$ 1,003,813 | 1,003,813    | 1,003,813    | 1,003,813    | 1,003,814    | -            | -    | -    | -          | -    |
| 2020   | -  | 5                          |       |      |      |      |              | \$ -         | -            | -            | -            | -            | -    | -    | -          | -    |
| 2021   | 8,084,961  | 4                          |       |      |      |      |              |              | \$ 2,021,240 | 2,021,240    | 2,021,240    | 2,021,241    | -    | -    | -          | -    |
| Net increase (decrease) in OPEB expense  |  |                            | \$ -  | \$ - | \$ - | \$ - | \$ 1,003,813 | \$ 1,003,813 | \$ 3,025,053 | \$ 3,025,053 | \$ 3,025,054 | \$ 2,021,241 | \$ - | \$ - | \$ -       | \$ - |

### Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Expected and Actual Experience

|       |                       |                      |  |      |           | Balances at December 31, 2020            |   |
|-------|-----------------------|----------------------|--|------|-----------|--|---|
| Year  | Experience Losses (a) | Experience Gains (b) | Amounts Recognized in OPEB Expense Through December 31, 2020 (c) |      |           | Deferred Outflows of Resources (a) - (c) | Deferred Inflows of Resources (b) - (c) |
| Prior | \$ -                  | \$ -                 | -  | \$ - | -         | \$ -                                     | \$ -                                    |
| 2016  | -                     | -                    | -  | -    | -         | -  | -                                       |
| 2017  | -                     | -                    | -  | -    | -         | -  | -                                       |
| 2018  | -                     | -                    | -  | -    | -         | -  | -                                       |
| 2019  | 5,019,066             | -                    | 3,011,439  | -    | 2,007,627 | -  | -                                       |
| 2020  | -                     | -                    | -  | -    | -         | -  | -                                       |
| 2021  | 8,084,961             | -                    | 2,021,240  | -    | 6,063,721 | -  | -                                       |
|       |                       |                      |  |      |           | \$ 8,071,348                             | \$ -                                    |

## Section VII. GASB 75 Disclosure

### Schedule of Changes of Assumptions

In conformity with paragraph 86a of Statement 75, the effects of changes of assumptions should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees), determined as of the beginning of the measurement period. The following table illustrates the application of this requirement.

| Increase (Decrease) in OPEB Expense Arising from the Effects of Changes of Assumptions |                        |                            |       |      |      |               |                 |               |               |               |               |               |            |      |            |
|--|------------------------|----------------------------|-------|------|------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|------------|------|------------|
| Year   | Changes of Assumptions | Recognition Period (Years) | Prior | 2016 | 2017 | 2018          | 2019            | 2020          | 2021          | 2022          | 2023          | 2024          | 2025       | 2026 | Thereafter |
| Prior  | \$ -                   |                            | \$ -  | -    | -    | -             | -               | -             | -             | -             | -             | -             | -          | -    | -          |
| 2016   | -                      | 1                          |       | \$ - |      |               |                 |               |               |               |               |               |            |      |            |
| 2017   | -                      | 1                          |       |      | \$ - |               |                 |               |               |               |               |               |            |      |            |
| 2018   | 88,865,823             | 5                          |       |      |      | \$ 17,773,165 | 17,773,165      | 17,773,165    | 17,773,165    | 17,773,163    |               |               |            |      |            |
| 2019   | (147,419,955)          | 5                          |       |      |      |               | \$ (29,483,991) | (29,483,991)  | (29,483,991)  | (29,483,991)  | (29,483,991)  |               |            |      |            |
| 2020   | 161,417,230            | 5                          |       |      |      |               |                 | \$ 32,283,446 | 32,283,446    | 32,283,446    | 32,283,446    | 32,283,446    |            |      |            |
| 2021   | 189,439,193            | 4                          |       |      |      |               |                 |               | \$ 47,359,798 | 47,359,798    | 47,359,798    | 47,359,798    | 47,359,799 |      |            |
| Net increase (decrease) in OPEB expense  |                        |                            | \$ -  | \$ - | \$ - | \$ 17,773,165 | \$ (11,710,826) | \$ 20,572,620 | \$ 67,932,418 | \$ 67,932,416 | \$ 50,159,253 | \$ 79,643,245 | \$ -       | \$ - | \$ -       |

### Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Changes of Assumptions

| Year  | Increases in the Total OPEB Liability (a) | Decreases in the Total OPEB Liability (b) | Amounts Recognized in OPEB Expense Through December 31, 2020 (c) | Balances at December 31, 2020<br>Deferred Outflows of Resources (a) - (c) | Deferred Inflows of Resources (b) - (c) |
|-------|---|---|--|---|---|
| Prior | \$ -                                      | \$ -                                      | \$ -   | \$ -  | \$ -                                    |
| 2016  | -   | -   | -  | -   | -                                       |
| 2017  | -   | -   | -  | -   | -                                       |
| 2018  | 88,865,823                                | -   | 71,092,660   | 17,773,163  | -                                       |
| 2019  | -   | 147,419,955                               | 88,451,973   | -   | 58,967,982                              |
| 2020  | 161,417,230                               | -   | 64,566,892   | 96,850,338  | -                                       |
| 2021  | 189,439,193                               | -   | 47,359,798   | 142,079,395   | -                                       |
|       |   |   |  | \$ 256,702,896  | \$ 58,967,982                           |

## Section VII. GASB 75 Disclosure

### Schedule of Changes in the Total Liability and Related Ratios - Required by GASB 75

Changes in Employer's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

Information for FYE 2017 and earlier is not available

| Disclosure for Fiscal Year Ending:                 | 2021          | 2020          | 2019          | 2018          | 2017       | 2016       | 2015       | 2014       | 2013       | 2012       |
|--|---------------|---------------|---------------|---------------|------------|------------|------------|------------|------------|------------|
| Measurement Date:                                  | 12/31/2020    | 12/31/2019    | 12/31/2018    | 12/31/2017    | 12/31/2016 | 12/31/2015 | 12/31/2014 | 12/31/2013 | 12/31/2012 | 12/31/2011 |
| Total OPEB liability                               |               |               |               |               |            |            |            |            |            |            |
| Service Cost                                       | \$ 41,110,400 | \$ 30,883,884 | \$ 35,340,997 | \$ 29,484,766 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Interest Cost                                      | 32,036,482    | 35,921,012    | 35,398,521    | 35,992,797    | -          | -          | -          | -          | -          | -          |
| Changes in Benefit Terms                           | -             | -             | -             | -             | -          | -          | -          | -          | -          | -          |
| Differences Between Expected and Actual Experience | 8,084,961     | -             | 5,019,066     | -             | -          | -          | -          | -          | -          | -          |
| Changes of Assumptions                             | 189,439,193   | 161,417,230   | (147,419,955) | 88,865,823    | -          | -          | -          | -          | -          | -          |
| Benefit Payments                                   | (33,718,486)  | (30,482,000)  | (28,636,000)  | (30,553,000)  | -          | -          | -          | -          | -          | -          |
| Net Change in Total OPEB Liability                 | 236,952,550   | 197,740,126   | (100,297,371) | 123,790,386   | -          | -          | -          | -          | -          | -          |
| Total OPEB liability - Beginning of Year           | 1,181,202,478 | 983,462,352   | 1,083,759,723 | 959,969,337   | -          | -          | -          | -          | -          | -          |
| Total OPEB liability - End of Year                 | 1,418,155,028 | 1,181,202,478 | 983,462,352   | 1,083,759,723 | -          | -          | -          | -          | -          | -          |

Plan Fiduciary Net Position

Last 10 Fiscal Years

Information for FYE 2017 and earlier is not available

| Disclosure for Fiscal Year Ending:  | 2021          | 2020          | 2019          | 2018          | 2017       | 2016       | 2015       | 2014       | 2013       | 2012       |
|---|---------------|---------------|---------------|---------------|------------|------------|------------|------------|------------|------------|
| Measurement Date:   | 12/31/2020    | 12/31/2019    | 12/31/2018    | 12/31/2017    | 12/31/2016 | 12/31/2015 | 12/31/2014 | 12/31/2013 | 12/31/2012 | 12/31/2011 |
| Contributions - Employer  | \$ 33,718,486 | \$ 30,482,000 | \$ 28,636,000 | \$ 30,553,000 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Net Investment Income   | -             | -             | -             | -             | -          | -          | -          | -          | -          | -          |
| Benefit Payments (net of retiree contributions)                             | (33,718,486)  | (30,482,000)  | (28,636,000)  | (30,553,000)  | -          | -          | -          | -          | -          | -          |
| Administrative Expense  | -             | -             | -             | -             | -          | -          | -          | -          | -          | -          |
| Net Change in Fiduciary Net Position  | -             | -             | -             | -             | -          | -          | -          | -          | -          | -          |
| Fiduciary Net Position - Beginning of Year                                  | -             | -             | -             | -             | -          | -          | -          | -          | -          | -          |
| Fiduciary Net Position - End of Year  | -             | -             | -             | -             | -          | -          | -          | -          | -          | -          |
| Net OPEB Liability  | 1,418,155,028 | 1,181,202,478 | 983,462,352   | 1,083,759,723 | -          | -          | -          | -          | -          | -          |
| Fiduciary Net Position as a % of Total OPEB Liability                       | 0.00%         | 0.00%         | 0.00%         | 0.00%         | -          | -          | -          | -          | -          | -          |
| Covered-Employee Payroll <sup>1</sup>                                       | N/A           | N/A           | N/A           | N/A           | N/A        | N/A        | N/A        | N/A        | N/A        | N/A        |
| Net OPEB Liability as a Percentage of Covered Employee Payroll <sup>1</sup> | N/A           | N/A           | N/A           | N/A           | N/A        | N/A        | N/A        | N/A        | N/A        | N/A        |
| Expected Average Remaining Service Years of All Participants                | 4             | 5             | 5             | 5             | -          | -          | -          | -          | -          | -          |

#### Notes to Schedule:

Benefit changes: None.

Changes of assumptions: The discount rate was changed as follows:

|  |       |       |       |       |     |     |     |     |     |     |
|--|-------|-------|-------|-------|-----|-----|-----|-----|-----|-----|
| The discount rate changes year-to-year:  | 2.00% | 2.75% | 3.71% | 3.31% | N/A | N/A | N/A | N/A | N/A | N/A |
| The trend table was updated to the most recently released table by the Society of Actuaries (SOA) 2022.            |       |       |       |       |     |     |     |     |     |     |
| The mortality assumption was updated to the latest SOA Public Sector experience study rates for general employees. |       |       |       |       |     |     |     |     |     |     |

<sup>1/</sup> Because this OPEB plan does not depend on salary, we do not have salary information.

## ATTACHMENT 3

NYSTA Other Post-Employment Medical  
Benefits - GASB 75 Actuarial Information for  
the Fiscal Year Ending December 31, 2022





## **New York State Thruway Authority Other Post-Employment Medical Benefits**

GASB 75 Actuarial Information for the Fiscal Year  
Ending December 31, 2022

# **Bolton**

*Submitted by:*

**Tom Vicente, FSA, MAAA, EA**

*Senior Consulting Actuary*

443.573.3918

tvicente@boltonusa.com





Employee Benefits, Actuarial & Investment Consulting

December 15, 2022

David Malone  
Director of Accounting & Disbursements  
NYS Thruway Authority  
200 Southern Blvd  
Albany, NY 12209

Dear Dave:

The following report contains the GASB 75 plan accounting actuarial information for the post-employment benefits (OPEB) to be included with the New York State Thruway Authority's (the Authority) financial statements. The GASB 75 reporting is for fiscal year ending in 2022. The measurement date is December 31, 2021.

### Methodology, Reliance and Certification

This report is prepared for the Authority. The report contains the actuarial information to be included with the Authority's financial statements (the Authority's fiscal year end date) as required by GASB 75. This information has been prepared for use in the financial statements of the Authority. This information is not intended for, nor should it be used for, any additional purposes.

The total OPEB liability is based on September 1, 2021 valuation data rolled forward to December 31, 2021. The methods, assumptions, participant data, and plan provisions are as detailed in the FYE 2021 GASB 75 report dated December 22, 2021, except as noted below.

- The discount rate was lowered to 1.84% as required by GASB 75.

Because the net impact of COVID-19 on health costs and changes in turnover and retirement behavior is not possible to estimate at this time, we have made no adjustments to any of the assumptions selected before the COVID-19 pandemic.

This is a deterministic valuation in that it is based on a single set of assumptions. This set of assumptions is one possible basis for our calculations. Other assumptions may be equally valid. The future is uncertain, and the plan's actual experience will differ from the assumptions; the differences may be significant or material because the results are very sensitive to the assumptions made and, in some cases, to the interaction between the assumptions. We may consider that some factors are not material to the valuation of the plan and may not provide a specific assumption for those factors. We may have used other assumptions in the past. We will likely consider changes in assumptions at a future date.

The Authority is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods and assumptions used in this valuation are those that have been so prescribed and are described in this report. The Authority is solely responsible for communicating to Bolton Partners any changes required thereto.

This report is based on plan provisions, census data, and asset data submitted by the Authority. We have relied on this information for purposes of preparing this report but have not performed an audit. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information. The plan sponsor is solely responsible for the validity



and completeness of this information.

The Authority is solely responsible for selecting the plan's investment policies, asset allocations and individual investments. Bolton, Inc.'s actuaries have not provided any investment advice to the Authority.

The information in this report was prepared for the internal use of the Authority, the plan and their auditors in connection with our actuarial valuations of the OPEB plan as required by GASB 75. This report may not be used for any other purpose; Bolton Partners. is not responsible for the consequences of any unauthorized use or the reliance on this information by any other party.

This report provides certain financial calculations for use by the auditor. These values have been computed in accordance with our understanding of generally accepted actuarial principles and practices and fairly reflect the actuarial position of the plan. The various actuarial assumptions and methods which have been used are, in our opinion, appropriate for the purposes of this report.

The report is conditioned on the assumption of an ongoing plan and is not meant to present the actuarial position of the plan in the case of plan termination. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

The valuation was completed using both proprietary and third-party models (including software and tools). We have tested these models to ensure they are used for their intended purposes, within their known limitations, and without any known material inconsistencies unless otherwise stated.

Bolton Partners is completely independent of the New York State Thruway Authority, their programs, activities, and any of their key personnel. Bolton Partners does not have any relationship with the New York State Thruway Authority which would impair or appear to impair the objectivity of our work.

The undersigned credentialed actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The FYE 2021 GASB 75 report dated December 22, 2021 contains information that is integral to the results contained herein and a copy may be provided upon request.

Respectfully submitted,



Tom Vicente, FSA, EA, MAAA



Kari Szabo, CEBS



## Section I. GASB 75 Disclosure

### Change in Net OPEB Liability

|   | Total OPEB<br>Liability<br>(a) | Plan Fiduciary Net<br>Position<br>(b) | Net OPEB Liability<br>(a) - (b) |
|---|--------------------------------|---------------------------------------|---------------------------------|
| <b>Balance as of December 31, 2020 for FYE 2021</b> | <b>\$1,418,155,028</b>         | <b>\$0</b>                            | <b>\$1,418,155,028</b>          |
| Changes for the Year                                |                                |                                       |                                 |
| Service Cost  | 46,835,057                     |                                       | 46,835,057                      |
| Interest  | 28,000,311                     |                                       | 28,000,311                      |
| Changes of Benefit Terms                            | 0                              |                                       | 0                               |
| Experience Losses/(Gains)                           | 0                              |                                       | 0                               |
| Trust Contribution - Employer                       |                                | 36,278,940                            | (36,278,940)                    |
| Net Investment Income                               |                                | 0                                     | 0                               |
| Changes in Assumptions                              | 41,240,416                     |                                       | 41,240,416                      |
| Benefit Payments (net of retiree contributions)     | (36,278,940)                   | (36,278,940)                          | 0                               |
| Administrative Expense                              |                                | 0                                     | 0                               |
| Net Changes   | 79,796,844                     | 0                                     | 79,796,844                      |
| <b>Balance as of December 31, 2021 for FYE 2022</b> | <b>\$1,497,951,872</b>         | <b>\$0</b>                            | <b>\$1,497,951,872</b>          |
| Funded status                                       |                                | 0.00%                                 |                                 |

## Section I. GASB 75 Disclosure

### OPEB Expense - Required by GASB 75

|   |                       |
|---|-----------------------|
| 1. Service Cost                                       | \$ 46,835,057         |
| 2. Interest   | 28,000,311            |
| 3. Projected Earnings on OPEB Trust                   | 0                     |
| 4. OPEB Administrative Expense                        | 0                     |
| 5. Changes in Benefit Terms                           | 0                     |
| 6. Differences Between Expected and Actual Earnings   |                       |
| In Current Fiscal Year Recognized in Current Year     | 0                     |
| From Past Years Recognized in Current Year            | 0                     |
| Total   | 0                     |
| 7. Differences Between Expected and Actual Experience |                       |
| In Current Fiscal Year Recognized in Current Year     | 0                     |
| From Past Years Recognized in Current Year            | 3,025,053             |
| Total   | 3,025,053             |
| 8. Changes in Assumptions                             |                       |
| In Current Fiscal Year Recognized in Current Year     | 10,310,104            |
| From Past Years Recognized in Current Year            | 67,932,416            |
| Total   | 78,242,520            |
| <b>9. Total OPEB Expense</b>                          | <b>\$ 156,102,941</b> |

## Section I. GASB 75 Disclosure

### Sensitivity of Total and Net OPEB Liability - Required by GASB 75

The following table presents New York State Thruway Authority's Total and Net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher.

| <b>Discount Rate</b>       | <b>1% Decrease<br/>0.84%</b> | <b>Discount Rate<br/>1.84%</b> | <b>1% Increase<br/>2.84%</b> |
|----------------------------|------------------------------|--------------------------------|------------------------------|
| Total OPEB Liability       | \$1,796,506,424              | \$1,497,951,872                | \$1,264,533,350              |
| Net OPEB Liability/(Asset) | \$1,796,506,424              | \$1,497,951,872                | \$1,264,533,350              |

The following table presents New York State Thruway Authority's Total and Net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher.

| <b>Ultimate Trend</b>      | <b>1% Decrease<br/>2.94%</b> | <b>Medical Trend<br/>3.94%</b> | <b>1% Increase<br/>4.94%</b> |
|----------------------------|------------------------------|--------------------------------|------------------------------|
| Total OPEB Liability       | \$1,247,270,663              | \$1,497,951,872                | \$1,825,558,043              |
| Net OPEB Liability/(Asset) | \$1,247,270,663              | \$1,497,951,872                | \$1,825,558,043              |

## Section I. GASB 75 Disclosure

### Deferred Inflows/Outflows of Resources Related to OPEB - Required by GASB 75

For the fiscal year ended December 31, 2022, New York State Thruway Authority recognized an OPEB expense of \$156,102,941. At December 31, 2022, New York State Thruway Authority reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                               | \$ 5,046,295                      | \$ -                             |
| Changes of assumptions   | 190,216,801                       | 29,483,991                       |
| Net difference between projected and actual earnings<br>on OPEB plan investments | -                                 | -                                |
| Employer contribution subsequent to measurement date                             | TBD                               |                                  |
| <b>Total</b>   | <b>\$ 195,263,096</b>             | <b>\$ 29,483,991</b>             |

An amount to be determined will be reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

| Fiscal Year Ended<br>December 31 | Measurement<br>Date  | Earnings<br>(Inflow)/Outflow |
|----------------------------------|----------------------|------------------------------|
| 2023                             | 12/31/2022           | \$ 63,494,411                |
| 2024                             | 12/31/2023           | 91,974,590                   |
| 2025                             | 12/31/2024           | 10,310,104                   |
| 2026                             | 12/31/2025           | -                            |
| 2027                             | 12/31/2026           | -                            |
| Thereafter                       | 12/31/2027 and after | -                            |

## Section I. GASB 75 Disclosure

### Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments

In conformity with paragraph 86b of Statement 75, the effects of differences between projected and actual earnings on OPEB plan investments are recognized in collective OPEB expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period. The following table illustrates the application of this requirement.

| Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Projected and Actual Earnings on OPEB Plan Investments |  |                            |      |      |      |      |      |      |      |      |      |
|--|--|----------------------------|------|------|------|------|------|------|------|------|------|
| Year   | Differences between Projected and Actual Earnings on OPEB Plan Investments | Recognition Period (Years) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Prior  | \$ -   |                            | \$ - | -    | -    | -    | -    | -    | -    | -    | -    |
| 2018   | -  | 5                          | \$ - | -    | -    | -    | -    | -    | -    | -    | -    |
| 2019   | -  | 5                          |      | \$ - | -    | -    | -    | -    | -    | -    | -    |
| 2020   | -  | 5                          |      |      | \$ - | -    | -    | -    | -    | -    | -    |
| 2021   | -  | 5                          |      |      |      | \$ - | -    | -    | -    | -    | -    |
| 2022   | -  | 5                          |      |      |      |      | \$ - | -    | -    | -    | -    |
| Net increase (decrease) in OPEB expense  |  |                            | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

### Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Projected and Actual Earnings on OPEB Plan Investments

| Year | Investment Earnings Less than Projected (a) | Investment Earnings Greater Than Projected (b) | Amounts Recognized in OPEB Expense Through December 31, 2021 (c) | Balances at December 31, 2021            |   |
|------|---|--|--|--|---|
|      |   |  |  | Deferred Outflows of Resources (a) - (c) | Deferred Inflows of Resources (b) - (c) |
| 2018 | \$ -  | \$ -   | \$ -   | \$ -                                     | \$ -                                    |
| 2019 | -   | -  | -  | -  | -                                       |
| 2020 | -   | -  | -  | -  | -                                       |
| 2021 | -   | -  | -  | -  | -                                       |
| 2022 | -   | -  | -  | -  | -                                       |
|      |   |  |  | \$ -                                     | \$ -                                    |



## Section I. GASB 75 Disclosure

### Schedule of Differences between Expected and Actual Experience

In conformity with paragraph 86a of Statement 75, the effects of differences between expected and actual experience are recognized in collective OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees), determined as of the beginning of the measurement period. The following table illustrates the application of this requirement.

| Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Expected and Actual Experience |  |                            |       |      |      |              |              |              |              |              |              |      |      |      |            |      |
|--|--|----------------------------|-------|------|------|--------------|--------------|--------------|--------------|--------------|--------------|------|------|------|------------|------|
| Year   | Differences between Expected and Actual Experience | Recognition Period (Years) | Prior | 2017 | 2018 | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025 | 2026 | 2027 | Thereafter |      |
| Prior  | -  | 1                          | \$ -  | -    | -    | -            | -            | -            | -            | -            | -            | -    | -    | -    | -          | -    |
| 2017   | -  | 5                          | \$ -  | -    | -    | -            | -            | -            | -            | -            | -            | -    | -    | -    | -          | -    |
| 2018   | 5,019,066  | 5                          | -     | \$ - | -    | \$ 1,003,813 | 1,003,813    | 1,003,813    | 1,003,813    | 1,003,814    | -            | -    | -    | -    | -          | -    |
| 2019   | -  | 5                          | -     | -    | -    | -            | \$ -         | -            | -            | -            | -            | -    | -    | -    | -          | -    |
| 2020   | 8,084,961  | 4                          | -     | -    | -    | -            | -            | \$ 2,021,240 | 2,021,240    | 2,021,240    | 2,021,241    | -    | -    | -    | -          | -    |
| 2021   | -  | 4                          | -     | -    | -    | -            | -            | -            | \$ -         | -            | -            | -    | -    | -    | -          | -    |
| 2022   | -  | -                          | -     | -    | -    | -            | -            | -            | -            | -            | -            | -    | -    | -    | -          | -    |
| Net increase (decrease) in OPEB expense  |  |                            | \$ -  | \$ - | \$ - | \$ 1,003,813 | \$ 1,003,813 | \$ 3,025,053 | \$ 3,025,053 | \$ 3,025,054 | \$ 2,021,241 | \$ - | \$ - | \$ - | \$ -       | \$ - |

### Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Expected and Actual Experience

| Balances at December 31, 2021 |                       |                      |  |  |   |
|-------------------------------|-----------------------|----------------------|--|--|---|
| Year                          | Experience Losses (a) | Experience Gains (b) | Amounts Recognized in OPEB Expense Through December 31, 2021 (c) | Deferred Outflows of Resources (a) - (c) | Deferred Inflows of Resources (b) - (c) |
| Prior                         | \$ -                  | \$ -                 | \$ -   | \$ -                                     | \$ -                                    |
| 2017                          | -                     | -                    | -  | -  | -                                       |
| 2018                          | -                     | -                    | -  | -  | -                                       |
| 2019                          | 5,019,066             | -                    | 4,015,252  | 1,003,814                                | -                                       |
| 2020                          | -                     | -                    | -  | -  | -                                       |
| 2021                          | 8,084,961             | -                    | 4,042,480  | 4,042,481                                | -                                       |
| 2022                          | -                     | -                    | -  | -  | -                                       |
|                               |                       |                      |  | \$ 5,046,295                             | \$ -                                    |

## Section I. GASB 75 Disclosure

### Schedule of Changes of Assumptions

In conformity with paragraph 86a of Statement 75, the effects of changes of assumptions should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees), determined as of the beginning of the measurement period. The following table illustrates the application of this requirement.

| Increase (Decrease) in OPEB Expense Arising from the Effects of Changes of Assumptions |                        |                            |       |      |               |                 |               |               |               |               |               |               |      |      |            |
|--|------------------------|----------------------------|-------|------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|------|------|------------|
| Year   | Changes of Assumptions | Recognition Period (Years) | Prior | 2017 | 2018          | 2019            | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          | 2026 | 2027 | Thereafter |
| Prior  | \$ -                   |                            | \$ -  | -    | -             | -               | -             | -             | -             | -             | -             | -             | -    | -    | -          |
| 2017   | -                      | 1                          |       | \$ - |               |                 |               |               |               |               |               |               |      |      |            |
| 2018   | 88,865,823             | 5                          |       |      | \$ 17,773,165 | 17,773,165      | 17,773,165    | 17,773,165    | 17,773,163    |               |               |               |      |      |            |
| 2019   | (147,419,955)          | 5                          |       |      |               | \$ (29,483,991) | (29,483,991)  | (29,483,991)  | (29,483,991)  | (29,483,991)  |               |               |      |      |            |
| 2020   | 161,417,230            | 5                          |       |      |               |                 | \$ 32,283,446 | 32,283,446    | 32,283,446    | 32,283,446    | 32,283,446    |               |      |      |            |
| 2021   | 189,439,193            | 4                          |       |      |               |                 |               | \$ 47,359,798 | 47,359,798    | 47,359,798    | 47,359,799    |               |      |      |            |
| 2022   | 41,240,416             | 4                          |       |      |               |                 |               |               | \$ 10,310,104 | 10,310,104    | 10,310,104    | 10,310,104    |      |      |            |
| Net increase (decrease) in OPEB expense  |                        |                            | \$ -  | \$ - | \$ 17,773,165 | \$ (11,710,826) | \$ 20,572,620 | \$ 67,932,418 | \$ 78,242,520 | \$ 60,469,357 | \$ 89,953,349 | \$ 10,310,104 | \$ - | \$ - | \$ -       |

### Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Changes of Assumptions

| Balances at December 31, 2021 |   |   |  |  |   |
|-------------------------------|---|---|--|--|---|
| Year                          | Increases in the Total OPEB Liability (a) | Decreases in the Total OPEB Liability (b) | Amounts Recognized in OPEB Expense Through December 31, 2021 (c) | Deferred Outflows of Resources (a) - (c) | Deferred Inflows of Resources (b) - (c) |
| Prior                         | \$ -                                      | \$ -                                      | \$ -   | \$ -                                     | \$ -                                    |
| 2017                          | -   | -   | -  | -  | -                                       |
| 2018                          | 88,865,823                                | -   | 88,865,823   | -  | -                                       |
| 2019                          | -   | 147,419,955                               | 117,935,964  | -  | 29,483,991                              |
| 2020                          | 161,417,230                               | -   | 96,850,338   | 64,566,892                               | -                                       |
| 2021                          | 189,439,193                               | -   | 94,719,596   | 94,719,597                               | -                                       |
| 2022                          | 41,240,416                                | -   | 10,310,104   | 30,930,312                               | -                                       |
|                               |   |   |  | \$ 190,216,801                           | \$ 29,483,991                           |

## Section I. GASB 75 Disclosure

### Schedule of Changes in the Total Liability and Related Ratios - Required by GASB 75

Changes in Employer's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

Information for FYE 2017 and earlier is not available

| Disclosure for Fiscal Year Ending:                 | 2022          | 2021          | 2020          | 2019          | 2018          | 2017       | 2016       | 2015       | 2014       | 2013       |
|--|---------------|---------------|---------------|---------------|---------------|------------|------------|------------|------------|------------|
| Measurement Date:                                  | 12/31/2021    | 12/31/2020    | 12/31/2019    | 12/31/2018    | 12/31/2017    | 12/31/2016 | 12/31/2015 | 12/31/2014 | 12/31/2013 | 12/31/2012 |
| Total OPEB liability                               |               |               |               |               |               |            |            |            |            |            |
| Service Cost                                       | \$ 46,835,057 | \$ 41,110,400 | \$ 30,883,884 | \$ 35,340,997 | \$ 29,484,766 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Interest Cost                                      | 28,000,311    | 32,036,482    | 35,921,012    | 35,398,521    | 35,992,797    | -          | -          | -          | -          | -          |
| Changes in Benefit Terms                           | -             | -             | -             | -             | -             | -          | -          | -          | -          | -          |
| Differences Between Expected and Actual Experience | -             | 8,084,961     | -             | 5,019,066     | -             | -          | -          | -          | -          | -          |
| Changes of Assumptions                             | 41,240,416    | 189,439,193   | 161,417,230   | (147,419,955) | 88,865,823    | -          | -          | -          | -          | -          |
| Benefit Payments                                   | (36,278,940)  | (33,718,486)  | (30,482,000)  | (28,636,000)  | (30,553,000)  | -          | -          | -          | -          | -          |
| Net Change in Total OPEB Liability                 | 79,796,844    | 236,952,550   | 197,740,126   | (100,297,371) | 123,790,386   | -          | -          | -          | -          | -          |
| Total OPEB liability - Beginning of Year           | 1,418,155,028 | 1,181,202,478 | 983,462,352   | 1,083,759,723 | 959,969,337   | -          | -          | -          | -          | -          |
| Total OPEB Liability - End of Year                 | 1,497,951,872 | 1,418,155,028 | 1,181,202,478 | 983,462,352   | 1,083,759,723 | -          | -          | -          | -          | -          |

Plan Fiduciary Net Position

Last 10 Fiscal Years

Information for FYE 2017 and earlier is not available

| Disclosure for Fiscal Year Ending:  | 2022          | 2021          | 2020          | 2019          | 2018          | 2017       | 2016       | 2015       | 2014       | 2013       |
|---|---------------|---------------|---------------|---------------|---------------|------------|------------|------------|------------|------------|
| Measurement Date:   | 12/31/2021    | 12/31/2020    | 12/31/2019    | 12/31/2018    | 12/31/2017    | 12/31/2016 | 12/31/2015 | 12/31/2014 | 12/31/2013 | 12/31/2012 |
| Contributions - Employer  | \$ 36,278,940 | \$ 33,718,486 | \$ 30,482,000 | \$ 28,636,000 | \$ 30,553,000 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Net Investment Income   | -             | -             | -             | -             | -             | -          | -          | -          | -          | -          |
| Benefit Payments (net of retiree contributions)                             | (36,278,940)  | (33,718,486)  | (30,482,000)  | (28,636,000)  | (30,553,000)  | -          | -          | -          | -          | -          |
| Administrative Expense  | -             | -             | -             | -             | -             | -          | -          | -          | -          | -          |
| Net Change in Fiduciary Net Position  | -             | -             | -             | -             | -             | -          | -          | -          | -          | -          |
| Fiduciary Net Position - Beginning of Year                                  | -             | -             | -             | -             | -             | -          | -          | -          | -          | -          |
| Fiduciary Net Position - End of Year  | -             | -             | -             | -             | -             | -          | -          | -          | -          | -          |
| Net OPEB Liability  | 1,497,951,872 | 1,418,155,028 | 1,181,202,478 | 983,462,352   | 1,083,759,723 | -          | -          | -          | -          | -          |
| Fiduciary Net Position as a % of Total OPEB Liability                       | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | -          | -          | -          | -          | -          |
| Covered-Employee Payroll <sup>1</sup>                                       | N/A           | N/A           | N/A           | N/A           | N/A           | N/A        | N/A        | N/A        | N/A        | N/A        |
| Net OPEB Liability as a Percentage of Covered Employee Payroll <sup>1</sup> | N/A           | N/A           | N/A           | N/A           | N/A           | N/A        | N/A        | N/A        | N/A        | N/A        |
| Expected Average Remaining Service Years of All Participants                | 4             | 4             | 5             | 5             | 5             | -          | -          | -          | -          | -          |

#### Notes to Schedule:

Benefit changes: None.

Changes of assumptions: The discount rate was changed as follows:

The discount rate changes year-to-year: 1.84% 2.00% 2.75% 3.71% 3.31% N/A N/A N/A N/A N/A

<sup>1/</sup> Because this OPEB plan does not depend on salary, we do not have salary information.